ESTABLISHED 1887

EATHER DATA APPEAR ON PAGE 10

. 31,056

PARIS, MONDAY, DECEMBER 27, 1982

11lies Face Crucial Decisions on East-West Arms Balance By Bernard Gwertzman.

ASHINGTON - The quick rejection by the ted States, Britain and France of Yuri V. Androis proposals for arms control is regarded here as the first, and perhaps the lightest, salvo in what be an increasingly complicated year ahead in t-West relations.

New York Times Service

ecause the essence of the new Soviet leader's pro-als on strategic arms reduction and on curbing from the missiles in Europe were already known found wanting by the allies weeks ago, they had trouble in saying they were unacceptable within its of Mr. Andropov's speech in the Kremlin last

sday. tut beyond the public postures of both Washing-and Moscow, there is a private awareness here t there will be some intense negotiations within the agan administration and within the alliance in ning months to ensure that reasonable offers on as control are examined, and that the Soviet Union not able to win a propaganda war that might cause oblems for the deployment of the new U.S. meditrange missiles in Europe or for production of the X intercontinental ballistic missile.

fn some ways, the discussions that are sure to occur thin the administration on possible fallback posi-us may prove as interesting as those with the Rus-

A key figure, according to some administration of-ials, is likely to be Secretary of State George P. roltz, who is still feeling his way on arms control mes. Mr. Shultz will have to play an increasingly volved role in coming months if the administration ops its rather rigid position in favor of a strategy of fering counterproposals to take the initiative away om the Russians.

Mr. Shultz had what amounted to on-the-job-train-ing during his recent seven-nation tour of Europe, which included participation in the winter meeting of North Atlantic Treaty Organization foreign ministers. The new secretary, however, has not shown his hand on arms control matters. When asked nt press conferences, he has given standard answers drafted by the hureaucracy in Washington, and in his private talks with reporters, he has avoided saying anything

NEWS ANALYSIS

that might indicate anything but full support for the current position. But it is Mr. Shultz's style to offer his original thoughts only to the president, and this has led to conjecture that he will do so after he feels more confident of the material.

During his trip, Mr. Shaltz was told by Claude Cheysson, the French minister for external relations, and Foreign Secretary Francis Pym of Britain, among others, that 1983 will be the most difficult year for the alliance since World War II. One reason, they said, is the worldwide economic recession.

The other reason, they said, is that as next year's scheduled start draws near for deployment in Western Europe of the first of the 108 Pershing-2 missiles and 464 ground-based cruise missiles, the Soviet Union can be expected to make an all-out effort to provoke divisions in the alliance by a combination of threats and new arms control offers.

The alliance reaffirmed at the NATO meeting its three-year-old policy of going ahead with the deployment of the U.S.-made missiles targeted on the Soviet Union. But that 1979 accord is also premised on a major U.S. effort in negotiations with the Soviet Un-ion to reach an agreement to make such deployment

The Pershing-1s can hit the Soviet Union without much advance warning, and are therefore more dangerous to the Russians. They are to be hased in West Germany, and it is in that country that the domestic opposition to nuclear weapons is the strongest and where the Soviet Union is expected to make its most determined effort to prevent deployment of new U.S.

Foreign Minister Andrei A. Gromyko of the Soviet Union is to make an official visit to Bonn oext mooth to confer with the conservative government of Hel-mut Kohl, whose tenure in office depends on the results of the elections set for March.

The U.S. position in the oegotiations in Geneva on medium-runge missiles has been popular with the allied governments because it is so simple to understand. The United States will forgo the deployment of its new missiles if the Soviet Union will dismantle the estimated 345 modern SS-20 intermediate-range mo-bile missiles it has deployed throughout the Soviet Union, of which about 245 are in European Russia. Each SS-20 carries three warbeads. The Russians have an additional 300 older SS-4s

The Russians have an additional 300 older SS-4s and SS-5s that are being replaced by the SS-20s. 'The initial Soviet counterproposal to Washingtoo's so-called "zero option" was to say that it would keep 300 missiles, presumably SS-20s, in Europe, if the United States would forgo the Pershings and cruise missiles. It said that already the combination of allied bombers and British and French missiles in Europe more than compensated for their missiles.

After that proposal was priested by the American

After that proposal was rejected by the Americans, Mr. Andropov made public last Tuesday what already had been floated informally: the Soviet Union would reduce its missile force of SS-20s in Europe in the same level of French and British missiles — 162 if the United States did not deploy the newer missiles ... This proposal was easily rejected by the allies because

both Britain and France regard their nuclear missiles as weapons of last resort; the French, in particular, resent any effort by the Russians to count their weap-ons as equivalent to U.S. missiles.

ons as equivalent to U.S. missiles.

There is considerable speculation here on what the next move by Mr. Andropov will be. Does he have the flexibility or support within the Politburo for an imaginative move that would form the basis for a breakthrough in the oegotiations? Or is he going to stick with the Soviet approach, given the presumed opposition of Soviet military leaders to dismantling the SS-76 force?

Many U.S. and allied officials believe that if the Soviet Union makes another move, it will come later and will be aimed at trying to prevent the stationing of the more dangerous Pershings in West Germany, perhaps by offering in cut their SS-20s to a low level oo the condition that only some of the cruise missile

and none of the Pershings are deployed.

In anticipation of this there is some sentiment for the United States to come up with a new fallback proposal when the medium-range talks resume at the end of this month. But at the moment, agreement on just what to do appears remote.

Among those who want a more creative U.S. approach there is concern that simply adhering indefinitely in the zero option will cause problems with allied public npinion. They argue privately that Mr. Shultz will have to assert the traditional State Department leadership in arms control matters and take it away from the Pentagon where it has gravitated, par-ticularly since Alexander M. Haig Jr. resigned last

The Arms Control and Disarmament Agency has had little or no influence in this administration and has been far from the gadfly on arms control matters that Coogress envisaged when it set it up in the early

Israel, Lebanon Say Talks Will **Start Tomorrow**

By Edward Walsh hington Post Service

JERUSALEM - Negotiations etween Israel and Lebanon will begin Tuesday in Lebanon and continue on Thursday in the northern Israeli town of Kiryat Shemona, the Israeli cahinet announced Sunday.

The exact site for the first meeting was oot announced, apparently because the planned location, the Beirut suburb of Khalde, is oear the scene of herce lighting in retian and Druze forces. However, the meeting is expected to take place in a beachfront botel in

The Voice of Israel radin reported Sunday night that Lebanon and the United States agreed with Isra-el to begin the talks Tuesday in Lehanon. The Lebanese state radin also reported Sunday that the ne-gotiations would start Tuesday.

in making the Israeli announce-ment, Dan Meridor, the cabinet secretary, denied charges by Prime Minister Shafiq al-Wazzan of Leb-anon that Israel was attempting to impose "unacceptable" new condi-ions even before the negotiations had begun

had begun. Mr. Meridor said the Israeli position had not changed since the previous Sunday, when the cabinet approved what was described as a three-page document of understanding setting nut the topics to be discussed during the negona-tions and containing agreement in principle on some of them.

According to the Israeli version of the understanding, the talks are to cover the establishment of normal relations between Israel and Lebanon, creation of a "security zone" for Israel in southern Leba non and the withdrawal of Israeli

troops from Lebanon. Israeli officials have said there will be no troop withdrawal without agreement on the other two subjects, but the Lebenese have indicated that they are reluctant to become the second Arab country establish normal ties with Israel.

Defense Minister Ariel Sharon announced the understanding Dec. 16, characterizing it as a "breakthrough" in the negotiating staleing, Mr. Sharon reportedly was crincized by some other cabinet lieved to be the first time a comprehensive effort at putting togethministers for jeopardizing the negotiations by making a premature announcement and taking credit er a framework for evaluating the

Mr. Sharon visited Beirut last

that it would form the basis for the negotiating sessions.

However, there were also reports
Sunday that the document, which

has never been made public, has never been made public, has undergone several changes since Mr. Sharon and other Israeli officials initially negotiated it with unidentified Lebanese officials. At the very least, there remains considerable skepticism in Israel that the document cootains as much of an accomment on Mr. Sharon has an agreement as Mr. Sharon bas elaimed, as well as expectation that the negotiations with the Lebanese will be long and difficult.

Asked about recent remarks by Mr. Wazzan suggesting that Lebaoon would attempt to limit the ne-gotiations to the withdrawal ques-tion, Mr. Meridor said the document setting out the broader agenda was reached with "authorized Lebanese" officials and that Israel expected them to live up to all of

its provisions.

The negotiating schedule be-yond the two meetings set for this week was not announced, Israeli officials have said they expect the first sessions to be relatively brief, and to be followed by consultations among officials of the two governments.

Direct talks with the Lebanese

and eventually a formal peace trea-ty with its northern neighbor has been a prime Israeli goal. However, the success of the talks that are to begin this week also depends on a separate set of negotiations succeeding in gaining a withdrawal of Syrian and Palestinian troops from Lebanon. Israel has said it will not withdraw its troops unless the Palestinians leave the country first and the Syrians agree tn withdraw at the same time as the Is-

Fighting Reported

Druze and Christian militiamen fought with heavy weapons Sunday in villages in eastern Lebanon and in the capital's southern outskirts, United Press Interna-tional reported from Beirut.

At the same time, a security scurce reported that guntren had attacked the Israeli governnr's residence in the southern city of Sidnn on Sunday evening. An Israeli military spokesman denied that the attack had taken place. The source said the gummen had

attacked the governor's residence with rocket-propelled grenades and automatic rifles, killing four Israeli soldiers and wounding

about six. The source said two Israeli heli-copters carried the victims from the scene as Israeli troops imposed an immediate curfew on the coast-

to stay at bome and searched nearby lemon groves, the source said.

Japan's Defense Budget Will Not Be Increased As Much as Expected

By Tracy Dahlby

TOKYO - Amid continuing calls from Washington for Japan in substantially boost its defense pending the Japanese Finance Vinistry has announced plans to imit increases in the 1983 military udget to 5.1 percent.

The figure undershoots by a considerable margin earlier fore-Prime Minister Yasohiro Naka-

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some's cabinet is expected to add rens Japan's farm lobby almost sunk a package designed to appease Ja-pan's trading partners. Page 7.

Minister funds to the Finance Miniswosal before it formally acts on the Nevertheless, the final amount is

ertain to fall short of U.S. recomincluded that Japan move more puckly to bolster its defenses to so its defenses to its defense to its ary commitments in the Pacific.

A senior Finance Ministry offiial, who briefed reporters Saturlay on the condition that he not be * Adentified, said that austere spendng limits had been set to cut Toyo's budget deficits. In doing so, he fiscal authorities rejected a De-ense Agency request that military jutlays be increased by 7.35 per-

In a public statement last week, he need to improve ties with the Inited States, indicated that the reased by a minimum of 7 percent o honor Japan's commitments unicr its mutual-security arrangement with the United States.

Under Japan's complex budget-tilly process, competing govern-ment departments are now set to fe for shares of about \$250 milon in extra budgetary funds set side by the government. Final ap-tropriations are to be worked out negotiations among the minisries in the coming week, before

According to defense and politi-al analysts, Mr. Nakasone's attempt to substantially raise deense spending may prove to be he first real test of his ability to or bureaucrats to a decision na a

speculate that 1983 military outlays are likely to grow by between 6 percent and 7 percent. The decision on defense spend-

ing is coming at a time when rela-tions between Washington and To-kyo have been badly frayed by a huge U.S. deficit in trade with Japan. The deficit is expected to reach a record \$20 billion this year.

A growing number of U.S. con-gressmen and other Americans have said that Japan is shirking its responsibilities by keeping a tight lid on military spending.

The U.S. Senate has manimously adopted a nonbinding resolution calling on Japan in expand its defensive capabilities and specifically to undertake adequate defense of its own sea-lanes by 1990. Reagan administration officials in recent weeks have told Japanes nfficials that an increase of less than 7 percent in next year's military spending plans would meet

with a chilly response in Washing-ton, sources said. According to a senior Finance Ministry official, a 7-percent defense spending level would require that most of the government's re-maining \$250-million slush fund for its ministries be funneled into

military spending. In 1982, they pointed out, the Defense Agency received roughly one-third of a slightly larger pool of these adjustment funds. This

car, competition among the ministries is likely to be amplified by substantial reductions in appropriations for most government de-

Defense expenditures have already been given a top priority over other government departments in the Finance Ministry's preparation of what has been called in the Japanese press a "less hutter, more guns" 1983 budget. Under the ministry's draft pro-posal announced Saturday, the

majority of government bureaucracies would be forced to accept less funds than they received this year in an overall spending program expected to amount to roughly \$210 billion, up only 1.4 percent from

Only outlays for defense, foreign aid, energy-related projects and so-cial security are scheduled to increase on a year-to-year basis.

Mr. Nakasone, who took office Nov. 26, is scheduled to go to Washington next month for talks with President Ronald Reagan.

FIRE ON CHINESE AIRLINER - A Chinese airliner sitting on a runway in Guangzhou

after a fire erupted in its rear portion, killing 23 of the 69 persons on board. At least 20 were

injured. The Soviet-built turboprop plane made an emergency landing at the airport. Page 5.



Pope John Paul II blessed pilgrims and visitors below in St. Peter's Square on Christmas Day. He also delivered an address to Rome and the world, and had special words for Poles.

Pope's Wish for Poles: 'New Hope, New Light'

By Henry Kamm New York Times Service

ROME - Pope John Paul II de-byered special Christmas wishes to his fellow Poles, saying that he prayed they would find "a new hope, a new light."

In delivering his "Urbi et Orbi" Christmas message to the city of Rome and the world Saturday, the

Italy and the Vatican have formed a panel to study the Vatican bank-Banco Ambrosiano case. Page 2.

Roman Catholic pontiff spoke with particular intensity in addressing his own nation in Polish.

At the end of the message the pope delivered the traditional Christmas greetings in 40 lan-guages. When he began to speak in Polish, his meaning was so clear to the 50,000 pilgrims and tourists in St. Peter's Square that they ap-plauded warmly although few un-

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be with every Pobsb family, in every house in Poland, to be with those who suffer, with those who

have been far from their dear ones. Evidently alluding to the decision of the government of General Wojciech Jaruzelski to free most of Poland's political prisoners, the pope wished them "a new bope, a oew light."

"It is necessary that men receive ever anew the message of Bethle-bent, which remains perennially alive," the pope continued in Pnl-ish. "It is necessary above all that in this difficult situation it take on a very special form in our father-

As he has done throughout the more than 12 months since the declaration of martial law, the pope weighed his words with evident care, avoiding direct criticism of the government.

Polish sources said they believed that the pontiff wanted to avoid endangering his planned trip to his bomeland next year, which he is said by Polish sources to view as the most positive contribution be can make to improving his people's situation.

The pope invited the Roman Catholic world to participate actively in the Holy Year that be pro-claimed for 1983 and which will be inaugurated March 25. He called on Catholics to celebrate the year as the 1.950th anniversary of the Redemption, that is, the crucifix-

To redeem means to restore man to God and God to man," the pope said. "To redeem means also to restore man in himself."

The pope made no allusion to polines other than in his remarks in Polish.

Although he greeted the Bulgar-ian people in their language, he made no reference to the controversy that has erupted in Italy over allegations by judicial and cabinet officials that Bulgarian government officials were linked to an alleged plot that culminated in the assassination aftempt on the pope in St. Peter's Square on May 13.

On Friday night, the pope cele-brated a midnight Mass in St. Peter's Basilica. Seven hours later be offered another Mass in his private chapel and followed it with a third Mass, in Latin, in St. Peter's before delivering his Christmas message.

New CIA Study Shows Soviet Economic Gain

First Western-Style Analysis Indicates Greater Growth Than Was Thought is contrary to the experience of most developing nations and "sug-gests a deliberate policy to restrain the development of services."

By Bernard Gwertzman New York Times Service

WASHINGTON - In a long analysis of the Soviet economy, the CIA reports that in Western terms the Soviet gross national product has grown at an annual rate of 4.8 percent over the last three decades. But the agency adds that in recent years the rise has dropped to less than 3 percent a year because of

The 401-page study was released Saturday by the Joint Economic Committee of Congress, which commissioned it. In a statement accompanying the report. Representative Henry S. Reuss, Democrat of Wisconsin, the committee chairman, said, This important study helps put into perspective Americans the fact that the U.S.S.R., far from being on the verge of collapse, bas experienced major growth."

The significance of the report, Mr. Reuss said, is that for the first time the intelligence agency has put together a formula for estimating the Soviet economy that is comparable to the way Western

ecocomies are evaluated. Previously, he said, such analy-ses were "dependent on incom-plete Soviet statistics and accounting pracrices."

Among the findings in the ageocy's report:

· Soviet military expenditures totaled 11 percent to 13 percent of the gross national product in 1970, and have increased at just above the average annual GNP growth rate since then, meaning that the share of the GNP devoted to military spending has increased slightly over the years. U.S. military spending dropped from 7.4 per-cent of the GNP in 1970 to 5.2 per-

cent io 1981. • The Soviet standard of living has increased rapidly over the last 30 years, with real consumption per capita — rising at an annual rate of 3.5 percent — tripling in that period. But gains have been smaller in recent years, reflecting the drop in the overall growth rate. Living standards remain well be-low those of the United States, Japan and most of Europe, both East and West

• The greatest benefits for consumers have been in durable goods, such as automobiles and appliances, and soft goods, such as clothing and other textiles. The major shortcomings have been in housing, with "per capita living space in urban areas in 1980 still remaining below the minimum corm for health and decency set

by the government in 1928." The growth in food supplies has been low, but "the quality of the diet has nonetheless improved greatly, shifting toward a pattern of less reliance on bread and potatoes and more reliance on mean and dairy products - a shift typical of other countries as per capital income rises." But this shift has slowed in recent years because of "faltering agricultural progress."

• There has been a marked rise

in investment as a percentage of the GNP, from 14 percent in 1950 to 33 percent in 1980, hased on 1970 prices. In comparison, invest-ment in the United States has dropped from 17.5 percent of the GNP in 1950 to 13.8 percent in

• The structure of the Soviet economy has changed dramatically since 1950, most significantly in the decline of agriculture's share of the GNP, from 31 percent in 1950 to 14 percent in 1980. Industry increased from 20 percent in 1950 to percent in 1980.

• The most unusual shift is in the decline of services as a percentage of the GNP, from 29 percent in 1950 to 20 percent in 1980. This sent in other countries.

There were no startling disclosures in the study. Analysis have noted a gradual improvement in the Soviet standard of living over the years, but at the same time have reported that the level is below that of Western countries, and

lower than that in certain East European countries, such as Hungary.
The importance of the study, as Mr. Renss noted, is that it provides a basis for judging Soviet economic statistics in a way comparable to Western studies. Such studies have been done in the past by the CIA on selected aspects of the Soviet on particular sectors, but this is be-

Soviet Unioo's gross national product has been undertaken. Mr. Reuss noted that there had been a tendency by some commentators to argue that the Soviet economy was in dire straits and susceptible to Western pressures. But he said that, on the basis of the intelligence agency's study, such conclusions were unwarrant-

for the "breakthrough."

Thursday in an apparent attempt to see that the negotiations would out hit any last-minute snags. According to press reports here Sunday, Mr. Sharon failed to abtain the signature of Lebanese officials on the document of understanding but did receive private assurances

al city. The Israelis set up checkpoints on main streets, called on citizens

In Ethiopia, New Signs of Stability Days of 'Red Terror' Over, Capital's Streets Are Now Safe

By Bernard Edinger

ADDIS ABABA, Ethiopia -Eight years after deposing Emperor Haile Selassie, and more than five years after bloody internal strife known as the "red terror," Ethiopia's Marxist military goverument shows signs of growing

The government of Lieutenant Colonel Mengistu Haile Mariam is still faced in the north with a 21year-old rebellion in Eritrea and an increasingly bitter guerrilla campaign by secessionists in Tigre province, plus occasional fighting on the Somali border to the south. But there are also signs of

change. During the 1977 terror in the capital, Addis Ababa, gunfire resounded each night in lighting between the military and extremeleftist students, and corpses would be found on the street in the morning. Today it is one of the safest capitals in Africa, diplomats say. This is partly due to a curfew after midnight and the existence of a Soviet-inspired political security

organization that operates street by street. There is also little crime by day, or in the long hours before curiew when shoppers throng the main streets or take the cool mountain air of Addis Ababa - "new flower" in the Amharic language — which is 8,000 feet (2,400 meters)

Shops seem amply supplied with basic necessities, though there are lines outside bakeries because of

Unlike many African capitals, where homes for the rich lie far from huge shantytowns, Addis Ababa is a sprawling, unplanned yet not ungraceful mixture of modern residential and business centers interspersed with small rural-type settlements. Although the hacks in these village areas resemble those of slums elsewhere in Africa, those here have water taps and electricity, which are often ab-

But the capital, where goats and sheep sometimes graze close to modern office buildings or in the shadow of elegant international hotels, is oot typical of the whole

country. Ethiopia is an agricultural na-

tion, and 90 percent of its estimat-

ed 33 million inhabitants live in small villages that seem sometimes to be just emerging from the Iron Rural poverty is widespread, and occasional deadly droughts, as

well as the effect of past civil strife and cross-border lighting, have left 4.5 million people living as virtual refugees within their own country. The highly active Relief and Rehabilitanoo Commissioo brings them aid, working together with foreign donor groups.

However, Shiles Adoudma, the

commission's chairman, complains that Ethiopia, because of political factors, gets one of the lowest levels of aid among the world's leastdeveloped countries. He says Ethiopia gets \$8.50 per assisted person annually, compared with \$22.50 elsewhere.

The reasons for Western hesitation in aiding Ethiopia appear to lie in the country's complex yet close relations with the Soviet Union. A Western diplomat said that aid to Ethiopia is better used than many other African countries. but that it frees Ethiopia to use its own funds for purposes opposed

Western embassies estimate that Ethiopia owes the Soviet Union \$2 billion for arms to equip the country's 300,000-man military establishment. An estimated 6,000 Soviet advisers are in Ethiopia, half of whom are military. The rest are doctors, engineers and other spe-

No Soviet uniforms are to be seen in Addis Ababa ontside the diplomatic cocktail circuit, but nationals of East European countries wearing ill-cut civilian suits or blue ieans abound in shorts and the streets. Jokes are told about them by some residents, but there seems

them among the population.

Cuban soldiers — there are 9,000 of them in the Ogaden region - are even less conspicuous in the capital.

During a recent week in the city,

only two uniformed Cubans were seen. Wearing combat fangues and Soviet-type wide-brimmed tropical campaign bats, they walked with open amazement through the dust of a giant bazaar. They appeared to be unarmed, self-conscious and penniless. Some Western diplomats say Colonel Mengistu would distance

himself from the Soviet bloc were it not for his need of weapons.
Other Western diplomats take an opposite view and believe Colo-nel Mengistu only feigns playing off East against West They believe the Soviet Union feels it more

expedient for friendly govern-ments to develop economic ties with the West, freeing Moscow of the need to pump money to them.

INSIDE

China's drive to hold down its population by restricting couples to a single child has created an unintended side effect—the spoiled brat. Page 5. South African Prime Minis-

ter P.W. Botha's plan for ex-tending limited political rights to two brown-skinned minority groups, without opening the door to any effective role for the black majority, has presented the opposition in the white Parliament with some

U.S. congressional leaders have agreed to reintroduce legislation to create public works Page 3. For the third time in nine

difficult choices.

years the United States is preparing to make an overture toward taking up relations

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By Joseph Lelyveld
New York Times Service

CAPE TOWN - Prime Minister Pieter W. Botha's plan for extending limited political rights to two brown-skinned minority groups in South Africa, without opening the door to any effective role for the black majority, has presented the opposition in the country's white Parliament with some difficult

Inevitably, the question of whether to accept or reject propos-als raises the question of whether the official opposition, the relatively liberal Progressive Federal Party, will play any role in the new

Some of its members are pri-vately predicting that they will have no choice but to oppose the changes when they are formally nted to Parliament in the new year, and then to exit from the po-

The party's leader, Frederik van Zyl Slabbert, dismisses such fore-casts as premature. But he concedes the members of his small caucus, which has 27 seats in a chamber of 177, are bound to face tough choices as individuals and as

"We will finally have to decide, are we in or are we out?" Mr. Slab-bert said. Asked to express his own instincts about how such a deci-sion might go, he replied: "I'm not going to be some kind of constitu-tional decoration for an all-power-ful executive, where I have no other role to play but simply give a other role to play but simply give a questionable legitimacy to his decisions. I'm not prepared to go through the protions. through the motions.

The constitutional proposals, which are expected to be enacted in the next session of Parliament. will turn the prime minister into an indirectly elected president and the presently all-white Parliament into a legislature with three racially distinct chambers — for whites, for the mixed-race people called co-loreds and for South Africans of

The proposals appear to ensure that the president will always be

India and Pakistan **Initial Agreement** On Commission

NEW DELHI — India and Pakistan, opening a new phase of warmer relations, have initialed a five-year agreement setting up a ission to strengthen economic and cultural ties.

During the second day of talks Friday, officials of both nations also discussed a Pakistani draft of a nonaggression pact and an Indian draft treaty of friendship and cooperation.

In an editorial Friday, The Hindustan Times said the drafts were important milestones on the road duction of tensions." The new spirit of cordiality was heralded last month by a brief meeting between President Mohammed Zia ul-Haq of Pakistan and Prime Minister Indira Gandhi of India in New Del-

The commission, which is to be chaired by the two nations' foreign ministers, will deal only with trade, economic, cultural and scientific ties. It will not deal with some remaining political issues, such as the problem of Kashmir. Two of the three India-Pakistan wars since 1947 have been fought over Kash-

The statutes of the commission will be signed by the foreign ministers during a meeting here in March of the nonaligned nations. The commission will meet once a year alternately in New Delhi and Islamabad, officials said.

SEATTLE — Every morning be-fore breakfast, William H. Ellis re-

ceives a call from the State Depart-

ment. On most days the message is the same: "Good morning, this is

P.J. We have nothing from Zim-

babwe. If things change, we will

In a sense, the calls are reassuring. Yet, as daily reminders of bow powerless Mr. Ellis and his wife

are in their efforts to discover

whether their son is still alive, they

Late last July, Kevin Ellis, 24. and five other tourists on a pho-

tography safari were kidnapped by

would kill the hostages within a

week if two political prisoners loy-al to Zimbabwe's opposition lead-

er, Joshua Nkomo, were not re-

Prime Minister Robert Mugabe

refused to capitulate to the de-

mands, and the two prisoners are

The paramilitary dissidents and

their hostages have not been heard from since. Mr. Mugabe sent 2,000

soldiers to sweep southwest Mata-beleland, Mr. Nkomo's tribal

stronghold, but the dissidents have

cluded detection. They have ig-

nored Mr. Nkomo's pleas that they

-We believe and trust in God

that the hostages are alive," said

Mr. Ellis. They are political tools, so there would be no point in kill-

ing them. But when we do not

know what is happening, it con-

The State Department fears that

stantily chips away at us."

free the hostages.

expected to be tried Jan. 10.

dissidents who said they

perpetuate a state of limbo.

call later on.

white and that no combination of forces will ever be able to outweigh the majority party in the white

Mr. Slabbert said the exclusion. of blacks is a "fatal flaw, as far as I'm concerned, in scizing this op-portunity of getting reform going." The party's course of action will

have more of an impact on white politics than its numbers in Parlia-

ment might suggest. If it were to fragment or bow out, Englishspeaking whites, including much the business establishment, would lose their main political vehicle; so would the small but growing number of disillusioned Afrikaners who have been attracted to the party since Mr. Slabbert, him-

an Afrikaner, took over its

leadership.
In Mr. Slabbert's mind, the question is whether there is a role for a centrist party in a period of increasing racial polarization. At least under the existing parliamentary system, he argues, there is the theoretical possibility, if not the likelihood, that the opposition could succeed in a motion of no confidence in the government.

But the new system — which purports to be based on an approach to resolving conflicts in ethnically divided societies that political scientists call consociational democracy - provides that deadlocks among the three chamdeadlocks among the three cham-bers he broken by yet another body in which the largest single block would be appointed by the president himself. Thus, Mr. Stab-bert argued, even the theoretical possibility of dislodging the gov-erument would be eliminated.

Such a mechanism, he continued, undermines the whole theory of a consociational system, which is designed to make compromise a

The nonwhite groups that par-ticipate would be radicalized, he predicted, by the discovery that they cannot use their new political role to bring about basic changes in the apartheid system of racial segregation, while the excluded black majority would be alienated

Asked about the generally posi-tive stance that the United States, alone among Western govern-ments, has been taking on the constitutional scheme, Mr. Slabbert said: "It's a rather sustained at-tempt at making a self-fulfilling prophecy come true." Washington's praise of the supposed re-forms, he suggested, is subtly calculated to encourage genuine

"I just sometimes feel," he con-tinued, "that one has to come back to the realities of this situation here. At a time when we are seizing on constitutional proposals as a manifestation of reform, we are also tightening up on the removal of communities and the destruc-tion of homes. The constitutional proposals bear almost no relation to the basic social-economic trends - migration to the cities, increas-

Cheysson to Visit Russia For Talks Early in 1983

PARIS - Claude Cheysson, the minister for external relations, will visit the Soviet Union for the first top-level diplomatic contact between France's Socialist government and Moscow, the ministry

Unofficial sources said Mr. Cheysson would probably go in February, possibly to prepare for an April meeting in Moscow between President François Mitterrand and the Soviet leader, Yuri V. Andropov. Some commentators saw the trip as a turning point in French-Soviet relations. have been strained over the Soviet

Zimbabwe Abduction: Long Silence

For weeks after the kidnapping.

Mr. Ellis and his wife, Dorene, got in touch each day with Brooks and

Kay Baldwin, longtime friends in Walnut Creek, California, whose son Brett, 23, was also kidnapped.

The two young men had been childhood friends in Singapore,

where Mr. Ellis managed a hotel

chain and Mr. Baldwin was a vice

president with BankAmerica Corp.

Kevin and Brett were roommates before graduating recently from the University of Washington.

By September, the families be-lieved they were being ignored by

the Reagan administration, when

the Iranian hostages. "Kay and I

felt President Reagan was not par-

ticipating enough and needed a kick in the pants to get him mov-ing," Mrs. Ellis said.

She instigated a telegram and

letter-writing campaign aimed at Congress and the White House, It

generated 20,000 messages, Mrs.

Edward E. Carlson, chairman of

the parent company of the hotel chain where Mr. Elis is now a vice

president, sent letters to friends in

the State Department. About 900 students of the high school Kevin

went to signed a petition and put up banners asking. "Where is Kev-

At the urging of the parents, 80

congressmen sent a message to Mr. largest city, and Gweru, the third Mugabe. As the search continued largest, Reuters reported.

Filis estimated.

compared their situation to

controversy that surrounded

much publicity on the incident in Zimbabwe, Senator S.I. could "spook" the captors, according to an aide of Senator Henry M. Hayakawa, Republican of California, introduced a resolution com-

Dissidents and 6 Seized in July Seem to Have Vanished

Jackson of Washington.

Tass Warns Europe About 'Fatal Path' **Issues Indirect Appeal**

MOSCOW - Tass-said Saturday that West European countries must choose between following Washington onto a "fatal path of confrontation" or pursuing détente by themselves.

To Weaken U.S. Ties

In an indirect appeal to West European leaders to weaken or even end their alliance with the United States, the official agency said they should realize that U.S. and European interests were now

Western Europe is now faced with an extremely important alternative, perhaps the most important one in its entire history," Tass said. "Either it will allow Washing-ton to sidetrack it onto the fatal path of confrontation against the socialist world or it will realize its historical role and responsibility and embark on the sole sensible path, that of strengthening detente and peaceful, mutually beneficial

Tass said Washington was committed to a crusade against communism that damages Western Enrope's interests and was intended to make Europe economically and militarily more dependent on the United States.

. The Tass commentary echoed appeals to West European leaders this year to reconsider the value of their alliance with Washington. It said the relationship between Western Europe and the United States had changed dramatically since the North Atlantic Treaty Organization was founded in 1949. The United States then lonked on the European countries as vassals

"Disregarding the new realities, Washington is out to regain for itself the role of undisputed leader" of the West, Tass said. By under-mining East-West trading relations through sanctions, Washington wanted to weaken Western Europe's economic independence, it

but today Western Europe is eco-nomically and militarily more powerful than the United States,

In another article, the Commu-nist Party daily Pravda attacked Scoretary of Defense Caspar W. Weinberger for telling the Senate Foreign Relations Committee in Washington that the Soviet Union was involved in a dangerous military buildup.

Kohl Asks Russia To Rethink Stance On Disarmament

The Associated Press HAMBURG, West Germany -Chancellor Helmut Kohl has appealed to the Soviet Union to reconsider its stance in achieving dis-

"The Soviet Union is expected this year to give its answer to the West's offer to achieve peace not through more and more weapons but through the fewest possible." Mr. Kohl said in an article written for the Bild Am Sonntag newspaper Saturday.

There can be no doubt that 1983 must end with the deploy-ment of new missiles" in Western Europe if talks in Geneva between the United States and Soviet Un-

Boun has agreed to North At-lantic Treaty Organization plans to deploy 108 Pershing-2 and 96 cruise missiles on West German soil beginning next year to counter Soviet SS-20 missiles simed at Western Europe.

Mr. Kohl made no specifie mention of an offer made by Yuri V. Andropov, who said in a speech Tuesday that Moscow was willing to reduce its missiles in Europe from 600 to 162 if NATO scrapped plans to deploy 572 nuclear mis-siles in Western Europe.

mending Zimbabwe for its assis-

Ellis and at times called him be-

tween floor votes with updates.
"He assured us things were happening but that for security reasons he could not say what was going on." Mr. Filis said.

By November the surge of interest had subsided. The nerve-fray-

ing silence from the kidnappers continued. In desperation, Mrs. Ellis contacted families of former

political hostages, seeking possible

The mother of a former Colom-

bian hostage said a tape recording

tal in her son's release. Mrs. Ellis

suggested that all of the mothers of

the Zimbabwe hostages - two are

from England and two from Aus-

tralia - record messages to appeal

lesse the hostages and to let them

get on with their lives," she said. The tape has been playing on Zim-babwe radio stations since Nov.

11. The dissidents have not re-

The police in Harare, Zim-

babwe, said Sunday that three per-sons were killed and several

wounded Friday night when dissi-dents opened fire on vehicles and a

train in Matabeleland on the main

road and nearby rail line between

Bulawayo, Zimbabwe's second

Attacks in Zimbabwe Kill 3

We asked the dissidents to re-

she had made had been instrume

curses of action.

directly to the captors.

Senator Jackson met with Mr.

Dr. Judith Xiomara Suazo Estrada with Honduras's ambassador to Gustemala, Ruben Vilianueva Doblado, after leftist kidnappers released Dr. Suzzo Estrada in Guatemala City.

Daughter of Honduran President Released

TEGUCIGALPA, Honduras - The daughter of President Roberto Suazo Córdova has been reunited with ber father after being freed unharmed by leftists who kidnapped her Dec. 14

Guerrillas from a previously unknown group abducted Dr. Judith Xiomara Suazo Estrada near the hospital where she works as a radiologist. They said she would be released within 48 bours of publication in Central America of a leftist manand Dr. Suzzo Estrada was freed Thursday night. She flew to Tegucigalpa, the capital of Honduras,

Publication of leftist documents is banned in Guatemala, but the government agreed to allow the publication of the manifesto at the request of the Suazo family. The statement accused the United States of using "puppet armies" to dominate Latin America. Dr. Suazo Estrada and her mother, Mr. Suazo Córdova's first wife, are Guatemales distances.

U.S. to Deport German For Death Camp Role

By Leslie Maitland New York Times Service

WASHINGTON — A German citizen who lives in Chicago has been ordered deported from the United States as a former Nazi who assisted in the murder of millions of people at the neighboring death camps of Auschwitz and Birkenan from 1941 to 1945.

Allan A. Ryan Jr., who heads the Justice Department's special office for the investigation and prosecution of Nazi war criminals, said Thursday that the man. Hans I. Lipschis, could become the first Nazi war criminal to be deported from the United States since A deportation order was also

obtained last October against Valerian Trifa, the primate of the Romanian Orthodox Episcopate of North America who had been accused of being a Nazi sympathizer and helping to incite bloody anti-Semitic riots in Bucharest in the war. But Archbishop Trifa re-quested to be sent to Switzerland. which would not accept him, Mr. Ryan explained, and so far no other country has agreed to admit

In describing the case against Mr. Lipschis, Mr. Ryan said the department "alleged that Lipschis had been a member of the SS Death's Head Battalion at the Nazi death camps at Auschwitz and Birkenan." As a camp guard, Mr. Lipschis had been among those "intimately caught up in the process of killing as many people as possible as quickly as possible." Mr. Ryan said.

The deportation order against Mr. Lipschis, 63, a retired factory worker, was signed in Chicago on Thursday by Anthony Petrone, an immigration judge. The judge

New York Tourism Declines Slightly; Spending Steady

NEW YORK — A surge of tour-ists and business visitors in the last three months has enabled New York City to come close to matching last year's figures, according to city tourism officials.

There was a slight decline in the estimated number of visitors this year, but they spent as much as did visitors during 1981, the officials

The chairman of the New York Convention and Visitors Bureau Preston Robert Tisch, said that this year's 16.9 million visitors -100,000 fewer than 1981's total — spent \$2.1 billion. That produced nearly \$200 million in direct tax revenues during the year, be said.

The tourist boom that began in 1976 is continuing, and it's one of the city's major economic strengths," be said.

Protest by Russia Rejected in Paris

PARIS - Sixty French television journalists have said in a declaration that the Soviet Union should put its own house in order instead of complaining about the three French television networks.

The journalists rejected on Friday a Soviet Embassy protest note to the three government-owned French TV networks that said they had launched "a vast campaign aimed at falsifying acts and fooling the population" about the Soviet Union. The Soviet letter cited coverage of the so-called Bulgarian connection in the 1981 assassingtion attempt on Pope John Paul II.

The Paris journalists said they had noted the manner in which Tass and other East European news agencies who joined in the complaint cover certain world events, "so we can say to the givers of advice that they will be better inspired to begin by sweeping in front of their own door."

signed the order after Mr. Lipschis agreed not to contest charges that he had lied to immigration authorities about his past activities when he entered the United States in

Mr. Ryan said the order called for Mr. Lipschis to leave the country within 120 days and that Mr. Lipschis had chosen to go to West Germany, whose consul in Chica-go had assured the Justice Department that a passport and travel documents would soon be provid-

Mr. Ryan said no warrant was outstanding in West Germany for the arrest of Mr. Lipschis, who was born in Lithnania. He said Mr. Lipschis had waived his right to a trial when be agreed to leave the United States permanently.

"By refusing to dispute the charges, he's admitted the charges are true," Mr. Ryan said. He said the Justice Department lacked ju-



Hans J. Lipschis

risdiction to prosecute the underlying charges that Mr. Lipschis committed crimes in the war and could only prosecute former Nazis for entering the United States illegally or fraudulently by failing to dis-close their activities as Nazis.

Vatican and Italy Form Panel on Bank Links

By Henry Kamm New York Threes Service

ROME - The Vatican and the ftalian government have announced the formation of a commission to study the relationship between the Vatican bank and the Banco Ambrosiano, which colapsed in August.

The failure of the Milan-based Banco Ambrosiano, fialy's largest private bank, brought into the open the links between the banks as well as the fact that the Vatican bank, the Institute for Works of Religion, had issued two letters of patronage for dubious Banco Ambrosiano lending operations in

The letters, signed by the Vati-can bank president, Archbishop Paul C. Marcinkus, have led to assertions by government officials that the Varican shares responsibility for the Banco Ambrosisno debts, which may amount to \$1.4

After several months of silence, the Vatican made public its view of the case a month ago, when the issue was discussed at a meeting of the College of Cardinals. Addresstary of state, Cardinal Agostino Casaroli, said the church's bank had been victimized by Banco Ambrosiano.

The cardinal did not mention by name Roberto Calvi, the president of Banco Ambrosiano, who was found hanging from a London bridge in June.

Mr. Calvi, whose death was de-clared a suicide, conducted his bank's relationship with the Vati-can bank. At his death, he was free on appeal of a four-year prison sentence for illegal currency deal-

Closing the four-day meeting of cardinals on Nov. 26, Pope John Paul II pledged the Vatican's full cooperation with the Italian authorities. However, no Vatican official has acknowledged any liability on the part of the Roman Catholic Church for any of the unpaid loans. The Vatican contends it owes nothing since it received no money from Banco Ambrosiano. The amouncement Friday on the investigating panel said the

Brezhnev Protégé Sent To Romania as Envoy The Associated Press

MOSCOW — Yevgeny Tyazhel-nikov, 58, a protégé of the late President Leonid I. Brezhnev who was removed from his post as chief of the Communist Party's propaganda department earlier this month, has been named ambassador to Romania, Tass reported

Soviet sources had said that Mr. Tyazhelnikov would be replaced by Boris I. Stukalin, 59.

officials to the committee. The Vatican's representatives are Agostinio Gambino, Pellegrino Capalbo and Renato Dardozzi The government's are Pasquale Chiomenti, Mario Cattaneo and

Alberto Santa Maria.

Unofficially, the Vatican made known that four bankers, all promment Catholic laymen chosen earlier to examine the Banco Ambrosiano case, would serve as advisers to its committee members. Church sources said during the cardinals' meeting last month that the experts' role was changing from studying past operations to guid-ing the Vatican bank's current af-

The original members of the ex-pert panel were Joseph Brennan, former chairman of the Emigrant Savings Bank of New York; Phi-bppe de Wech, former chairman of the Swiss Union Bank, and Carlo Cerutti, an Italian civil servant. Hermann Abs, a West German banker, was added last month, when the panel took on a supervi-

proceed jointly toward "the estab-lishment of the truth" on questions raised by the relationship between the banks. Each side named three

FLOODING IN FRANCE - A bargeman crosses a

flooded quay of the River Seine in Paris. The swollen river

has inundated hundreds of acres east of Paris and raised

walkways are being built to evacuate residents. Rivers else-

where in France were subsiding Sunday after a week of

flooding that left three persons dead and caused at least

\$60 million worth of damage, according to initial estimates.

The prime minister said no buresucratic formalities would be re-

Egyptian Extremists Plead Not Guilty CAIRO (UPI) — Standing in iron cages, 278 Moslem extremists being tried on charges of conspiracy to overthrow the government pleaded not guilty during 11 hours of hearings conducted Saturday and Sunday by the State Security Court. Forty-three defendants were questioned by the court Saturday and 235 were questioned Sunday. Two persons were absent because of illness and 20 are being tried in absentia. They are accused of conspiring to overthrow the government, of establishing a paramilitary organization, or of murder or attempted murder. All the charges carry the death penalty.

De Lorean's Bail Cut to \$5 Million

WORLD BRIEFS

PEKING (LAT) — The Communist Party newspaper, the People's Daily, acknowledged in a front-page commentary Sunday that Deng Xiaoping's political and economic policies of the past four years were still meeting serious resistance from leftists.

The newspaper attributed opposition to Mr. Deng to a failure by party

and government officials to assess the effectiveness of the policies and

their popularity. It said that "some comrades even now do not complete-

ly understand" why the policies of the party "have won the enthusiastic

support of the people."

The commentary marked the 89th anniversary of Mao's birth, A new collection of Mao's writings was published Sunday, but the writings

support Mr. Deng's pragmatism. Based on essays and reports on rural

conditions first put out in 1941, the book emphasizes the need to base

policies on actual conditions, not on theory and dogma. It is the first such book published in four years.

Encounter With Wallenberg Reported

TEL AVIV (AP) — An Israeli newspaper quoted a recent immigrant from the Soviet Union as saying that in 1972 he met and spoke with Raoul Wallenberg, the Swedish diplomat who is credited with saving

thousands of Hungarian Jews from the Nazis and whose fate has been a

The immigrant, Asher Hanukaiev, said he had spoken with Mr. Wallenberg during a four-day period in Sverdlovsk Prison in Soviet Eastern Europe, the newspaper Ha aretz reported Sunday. Mr. Hanukaiev was

quoted as telling a local newspaper, Sheva, in the southern town of Beersheba, that Mr. Wallenberg "lay on a stretcher, and he told me he had trouble in the stomach." The Soviet Union has insisted that Mr.

Mr. Hanukaiev said Mr. Wallenberg had told him that he had been

arrested by the Soviet authorities because he had belped to save Jews

from Nazi extermination camps, Ha'aretz reported. Mr. Hanukaiev is

the first recent witness to have claimed actually to have spoken with Mr. Wallenberg over a protracted period. ft was not clear why Mr. Hann-

WASHINGTON (Reuters) -- President Renald Reagan, marking the third anniversary of the Soviet intervention in Afghanistan, said Sunday that the occupation by Soviet troops was not a success, and he urged

"The United States does not intend to forget these brave people and

their struggle," the president said in a statement. He continued: "We hope that the new leadership of the Soviet Union will take advantage of the opportunities the new year will no doubt offer to achieve a solution for Afghanistan." He also repeated U.S. allegations that Moscow was using chemical warfare in Afghanistan, but he did not elaborate.

"Afghanistan is important to the world because the Afghan people are resisting Soviet imperialism," he said. Even with forces numbering almost 105,000, the Soviet Union cannot control the countryside or secure

many cities and has failed to rebuild the Afghan Army or create an

Reagan Urges Afghanistan Solution

Moscow's new leaders to work for a peaceful solution.

effective government, Mr. Reagan said.

mystery since 1945.

Wallenberg is dead.

kaiev was in prison.

China Concedes Opposition Exists

LOS ANGELES (LAT) - Bail for John Z. De Lorean, 57, the automaker who is charged with conspiring to import cocaine, has been reduced from \$10 million to \$5 million by U.S. District Judge Robert Takasugi. The judge said by way of explanation only that the court had considered the argument of counsel and all pleadings and other docu-

In a filing made public Thursday, Judge Takasugi also ordered that all documents in the case be filed under scal to his chambers so he could decide whether to release them publicly. Judge Takasogi indicated in the order that he would balance the defendant's right to a fair trial with the First Amendment rights of the public to know about it when making his determination about disclosure.

specializes in buying spare parts for discontinued cars and which offered early last month to acquire Mr. De Lorean's holdings in the United States and Northern Ireland in a deal said to be worth about \$84 million. said it would not exercise its option to purchase the plant and equipment of the De Lorean Motor Company in Belfast, Reuters reported from

Papandreou Approves Return of Leftist Exiles

ATHENS -- Andreas Papandreou, Greece's Socialist prime minister, has announced that thousands of Greek Communist refugees living in exile in Eastern Europe "can turn whenever they want."

In a Christmas Day television broadcast, which he described as one of "national political reconcilistion," Mr. Papandreou said of the refugees: Their sufferings away from their motherland, their politically imposed exile, must come to an end. We are opening our arms to welcome the refugees home."

quired for the Communist refugees to have their Greek citizenship restored and permission granted for repatriation.
He said a "simple application"

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should be made and that the min-isters of public order and the intenior would push through proce-dures for the return of refugees without any specific legislation.

The refugees fled to Eastern Europe after the defeat of the Comuists in the 1944-49 civil war. Of those remaining today, 75 per-cent are 40 or younger, meaning that they were born in Eastern Enrope or are too young to have had direct involvement in the civil war. Greek Communist refugee

groups enthusiastically welcomed the announcement, which will af-fect as many as 30,000 refugees re-maining in Eastern Europe. But they also voiced skepticism over the lack of parallel financial measures for those returning. "I have been on the phone all day speaking to Greek community leaders in all Eastern European

capitals, and they are asking if they should start packing their bags immediately or wait for the next step," said Mitses Papadimi-triou, the president of the Committee for the Repatriation of Greek "I tell them that our lifelong

problem is at last on the final road to a solution but that they must also wait for the material assistance that must come with it," he

Mr. Papadimitriou said that time would be required to develop financial agreements with the Eastorn bloc nations to cover the needs of the refugees.

Repatriation of refugees in Pastem Europe had begun in 1974 under Greek conservative governments but in a slow process of individual application and careful

scrutiny by security police.
Official figures show that of the 60,000 Greeks in Eastern Europe then, 24,700 have returned. More than 5,000 others have permits to

return but are not doing so be-cause of the financial hardships involved. There are 29,940 left who stand to benefit from the new measure, the government said. The largest group is in the Soviet Un-

New Plans in Congress for a Job Bill By Martin Tolchin By Martin Tol

By Martin Tolchus

Mee York Three Service

WASHINGTON — The leaders

the House and Senate have

tagreed to reintroduce legislation to

unblic-works jobs when

presiden

WASHINGTON — The leaders of the House and Senate have agreed to reintroduce legislation to create public works jobs when Congress reconvenes Jan. 3, and likey say they expect President Ronald Reagan to support such an affort.

Howard H. Baker Jr. of Tennessee, the leader of the Senate's majority Republicans, and House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, say they expect a public works job bill to be at the top of the agenda of the new Congress.

Both say that they expect the president, who has assailed such programs as counterproductive

president, who has assalled such programs as counterproductive programs as counterproductive make work legislation, to remove the measure of the phoyment, now at 10.8 percent.

A White House spokesman said

A White House spokesman said Friday night that there was "no truth" to the notion that Mr. Friday man the notion that Mr. with to the notion that Mr. Reagan would drop his opposition to such programs, but in an interview as the 97th Congress drew to a close, Senator Baker said, "I would anticipate that the president will support some form of jobs crogram."

However, Mr. O'Neill and Mr. Baker persuaded Mr. Reagan to endorse a highway repair program, financed by a gasoline tax in-

The frenzied finale, in which

As in the past, Congress hurched from one spending crisis to the next, and its failure to adopt individual spending bills led the president to request a postelection session that only confirmed Congress' inability to meet spending dead-

worsening economy and rising un-employment, did show increasing independence. They rewrote Mr.

For Christmas, Reagan Gives Gifts of Pardon

New York Times Service

New York Times Service

WASHINGTON — E. Howard

Hunt and Jeb Stuart Magruder did

receive the special Christmas

receive the special Christmas not receive the special Christmas gift each had hoped for from President Ronald Reagan this year.

The state of the s But a farmer who was convicted of stealing \$10 when he worked as a postal clerk 10 years ago had his wish granted. And so did the mechanic who, as a soldier in Germany in 1948, was court-martialed and sentenced to a year's hard la-bor for an assault in a bar over a

bor for an eard game.

The farmer, the mechanic and they 60 other people received pardons for their federal crimes, and they will regain the civil rights they lost when they were convicted. علوسته

While pardons are actually granted in batches all through the year, it is traditional for the Justice Department to attempt to grant a large number in time for Christ-- Bail Cut to Sil mas.

The requests of Mr. Hunt and Mr. Magruder, however, have not been decided. Both men, who were gate scandal, may suffer from what the department's acting pardon at-torney, David C. Stephenson, says is a tendency since Watergate for pardon rulings to be more strict. " Going back to Watergate,

there's been a progressive movement through one administration in the stricter another to be stricter about granting pardons." Mr. Stephen-son said. "There's a much greater reluctance to grant pardons so readily. Standards are much stricter these days."

Too strict, some say. Terrence B.
Adamson, who served as a top Justice Department official under Attorney General Griffin B. Bell in the Carter administration, ob-POUL - If the control of the control

of Leftis notice various administrations.

Presidents Kennedy and Johnson said, and Mr. Johnson granted a record 364 pardons and \$1 commutations of sentences in 1966.

He then received so much criti-cism that he stopped pardoning when Richard M. Nixon took off-= ice, the backlog of applications was so great that none was granted in his first year in office.

crease, that supporters say will create 320,000 jobs, and they expect to work together again on a public-works job program that will win the president's support.

lawmakers approved a stopgap spending bill and the highway program, contrasted with the languid start of the second session of the 97th Congress, in which the legislators spent four months sorting out budget priorities.

The legislators, responding to a

Mr. Nixon, of course, received the country's most famous and unorthodox pardon. Gerald R. Ford granted it before Mr. Nixoo had even been charged with a crime, and he unconditionally forgave all federal offenses his prede-

"But that one was handled en-tirely in the White Honse," Mr. Stephenson said. "This office was not consulted,"

cessor "committed or may have committed or taken part in" while

Pardons are generally not granted that way. To be eligible, a person must have not only been charged and coovicted but also have finished the sentence. Most applicants then must wait five to seven years, Mr. Stephenson said. They must prove that they have changed, and any black marks on their records — further arrests. compayment of taxes or poor credit ratings, for instance - weigh heavily against them.

According to Associate Attor-

ney General Rudolph W. Giuliani, every request is subject to a detailed inquiry by the Federal Bu-reau of Investigation, which con-ducts as many as 50 interviews for each application. The case is oext studied by the

pardon attorney, who makes a judgment that Mr. Giuliani reviews. His judgment, in turn, goes to Fred F. Fielding, the White House counsel who re-examines the files and makes his own decision. Every request is then presented to the president for his concur-

Mr. Fielding said, "We certainly look at them with a view toward a strong law-and-order requirement for the country, but if people have paid their debt to society and are leading lives that show they want to make a contribution to society, we certainly take that into account. too."

For some of the applicants, more than honor hinges on the de-cision. One man whose handwritten plea to the president is now being considered explained that he needed a pardon to become a bartender. His statement assured Mr. Reagan that he was no longer gam-bling, the crime for which he want-

Besides qualifying for specific employment, applicants may seek the right to vote, sit on juries or bold public office. Many others simply seem to desire to see their names cleared and their achieve-

sophic imprint on them, and he succeeded in continuing to reduce the size and scope of government, as reflected in the budget adopted by Congress.

The president also continued to set the congressional agenda, and, although Congress may have nibbled around the edges, it generally accepted his priorities. Congress reduced Mr. Reagan's proposed increase in military mending for increase in military spending, for example, and denied him production funds for the MX missile, but it approved the largest peacetime increase in military spending in

history.

Similarly, Congress followed the fiscally austere agenda set by the first session, although it did not go along with all the cuts in social programs proposed by Mr. Reagan and especially rebelled against a plan to reduce the Social Security

Republicans on Capitol Hill became increasingly sensitive to Democratic allegations that Mr. Reagan was aiding the rich at the expense of the poor and sought both to lessen the impact of domestic cuts and to close tax "loopholes" for the rich.

Yet Mr. Reagan proposed and Congress approved, the largest deficits in the nation's history as rising unemployment deprived the placed added demands on benefits and services. The Democrats said military spending and the tax cut sought by Mr. Reagan caused the large deficits, while Republicans held that they were the results of decades of Democratic profligacy.

Congress gave short shrift to the president's proposal of a "new federalism," which would give more power to the states but make them bear the cost of more programs, and it also spurned his plan to abolish the Energy and Education Departments.

Congress also rejected the president's agenda on social issues, including abortion, busing and offi-cially sanctioned school prayer. These issues had been a major focus of Mr. Reagan's 1980 campaign, but he had placed them on the back burner until Congress acted on his economie program. Conservatives had viewed Mr.

Reagan's election and a Republican-cootrolled Senate as a singular opportunity for action oo those issues, but they were thwarted by fil-ibusters conducted by Senate liber-The president's threats to cam-

paign against incumbent members of Congress, which helped him win approval of his budget and tax proposals in the first session, lost their potency in the year when the nation actually voted.

Reagan became increasingly isolated from Capitol Hill. Social Security reforms, which

members of both parties acknowledged were needed to preserve the solvency of the system, were left unaddressed. Democrats exploited the issue in the congressional campaigns, and both they and the Republicans were apparently fearful of alienating voters by recom-mending either a reduction in bencfits or an increase in taxes that most agreed were needed.

Also left uncompleted was legis-

lation to revise the immigration laws, a revision of the regulatory process, a bankruptcy bill and leg-

Captive Is Released in Italy United Press International

CATANZARO, Italy - Kidnappers freed a southern Italian landowner late Saturday after holding him for nearly months, police reported Sunday. Police said that Stefano Pellegrino, who was kidnapped Aug. 8, was in

islation that would require a cer-

to be manufactured there.

As in the first session, the budget was a major legislative vehicle and mandated changes in scores of laws in order to effect spending re-

The early months of negotiathe early months of negotia-tions had their origin in Mr. Reagan's proposed budget of \$757.6 billion for the fiscal year 1983, which began Oct. I. The budget initially projected a deficit of \$91.5 billion, but both Republi-cans and Democrats considered that projection unrealistically low, and they were proved correct. The final projection was more than \$150 billion.

The disagreement between the two parties was on how to bring the deficit down. Republicans sought greater reductions in social programs, while Democrats sought greater reductions in military spending and an increase in reve-

The budget was actually written the chairman of the Senate Budget Committee, Pete V. Domenici, Republican of New Mexico, and was reluctantly accepted by the White House. But Senator Domenici's proposal for a schalor benefits a proposal for a three-year, \$40-billion saving in Social Security, through benefit cuts or new taxes, was rejected by Congress as too controversial in an election year.

Following were the major ac-tions taken in the second session of

the 97th Congress:

• Military Spending: Congress approved the largest peacetime inse in military appropriations in the nation's history, a budget of \$231 billion, which was \$14 billion less than Mr. Reagan sought. Coogress rejected the president's request for \$988 million for productions of the Mr. Reagan sought. tion of the MX missile but approved \$2.5 billion for the missile's research and development. Con-gress also approved funds for a new ouclear aircraft carrier and for

 Budget: Congress approved a \$769-billion budget for the current fiscal year, with a projected deficit of \$103.9 billion. But the Coogressional Budget Office estimates that deficit will be more than \$150 bil-lion. To achieve its budget targets, Coogress came up with \$6.57 billion in spending cuts and \$20,9 billion in new revenues. Congress also increased the debt ceiling to \$1,290 billion. · Taxes: Scarcely a year after

approving a tax reduction, Congress approved a three-year tax in-crease of \$98.3 billion, occded to reduce the deficit. The White House said the measure was oot really a tax increase, because for the most part it closed "loopboles" and tightened enforcement.

· Foreign Policy: An individual foreign-aid spending bill was again deferred because congressional leaders feared the lawmakers might want to reduce such funds in the face of a recession and reduc-The leaders also feared that an

individual spending bill could lead to a rebuke of Israel because of its invasion of Lebanon. So foreignaid spending was continued, for the most part, at previous levels. Congress did not complete action oo the president's program of spe-cial tax and trade benefits for the Caribbean basin, and the Senate rejected a House-passed bill anthorizing creation of Radio Marti to broadcast to Cuba

• Civil Rights: Congress approved a 25-year extension of the enforcement section of the Voting Rights Act of 1965 and made it easier to prove certain votingrights violations. Labor: Congress approved a 10-week extension of unemploy-

ment benefits last August, and in its postelection session it added as many as six additional weeks for areas with the highest unemployment. It also approved a training program intended to provide in-struction and other assistance to poor people unable to find jobs.

tions are triggered in most cases

when local governments and in-dustries fail to follow clean-air

plans, not when those plans fail to

Efforts to establish this occurred

Saudi Sheikh Charged In Sale of Stolen Ring

By Alison Muscatine

Washington Past Service
WASHINGTON — A Saudi
sheikh was arrested in Washing-

sheikh was arrested in Washington after he allegedly offered to sell a stolen \$1.2-million ring to an undercover FBI agent. He was later released on bond.

Alial al-Fassi, 21, who is related by marriage to the Saudi royal family, was arrested Friday and charged with international transportation of stolen goods, punishable by up to 10 years in prison or a \$10,000 fine.

Judge Frank E. Schwelb of the

Judge Frank E. Schwelb of the District of Columbia Superior Court released Sheikh Fassi on \$25,000 bond Saturday and or-dered him to remain in the Washington area until a federal hearing Monday. Sheikh Fassi is the brother of

Mohammed al-Fassi, 28, who became the source of some embarrassment to the royal family for his widely publicized marital problems, lavish spending and an initial failure to pay a \$1-mil-tion bill at a hotel in Florida. There were unconfirmed reports Saturday that Mohammed al-Fassi had returned to Saudi Arabia on orders from the Saudi government and that a directive had been issued to Allai al-Fassi to return home by Monday.

Allal al-Fassi's attorney, Richard Beo-Veniste, a former Watergate prosecutor, described his elient as a "self-employed inessman and investor had been "invited" to the United States last week by an undercov-er FBI agent "to discuss some merchandise."

Sheikh Fassi gave a Florida address and said he had lived in the United States on and off for scribed him as unemployed and said his sole source of income was his family.

"Apparently this was an un-dercover sting operation," said Mr. Ben-Veniste, who was asked by the royal family to defend Sheikh Fassi. "Surprisingly, this time they [the FBI agents] were not dressed like sheikhs," he said, in reference to the FBI's Abscam case in which congressmen took payoffs from agents who had posed as Arab sheikhs.

Sheikh Fassi's arrest was the culmination of an FBI operation that began in April when a jewel dealer discovered that an emer-ald-and-diamond ring was missing after a private showing of rare jewels for members of the Saudi royal family.

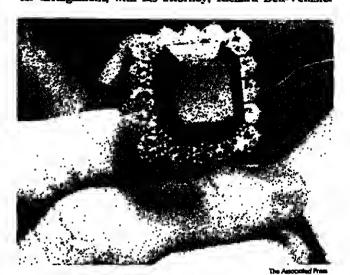
According to court records, Albano Bochatay, the director of the European branch of Harry Winston Inc. in New York, flew from Geneva to Florida in April to conduct a showing at the home of Prince Turki Bin Abdul Azziz, who is married to Sheikh Fassi's sister. According to an FBI report, the jewels were passed around among interested

The next morning court re-cords say, Mr. Bochatay found that the gold ring, set with a 22.7-carat square emerald and 21 round diamonds and valued at about \$1.2 million, was miss-On Friday, Michael R. Hart-

man, an FBI special agent, met Sheikh Fassi in Washington, ac-cording to court records: Sheikh Fassi told Mr. Hartman he had flown from Paris that morning, by way of New York, and had



Sheikh Allal al-Fassi, left, leaving court in Washington after arraignment, with his attorney, Richard Ben-Veniste.



The emerald-and-diamond ring, valued at \$1.2 million, that Sheikh Fassi allegedly tried to sell to an undercover FBI agent.

brought with him a ring that he was willing to sell for \$350,000 bill of sale or proof of owner-to \$370,000.

ship. After his arrest, Sheikh Fassi Mr. Hartman, in his affidavit, maintained that he had bought the ring in London for \$500,000. said the ring matched the stolen one "in every detail." He said

U.S. Paper Tells Reporters to Reveal Sources

By Robert Lindsey New York Times Service

LOS ANGELES - Two reporters for a suburban newspaper here have been directed by their publisher to break a pledge of confi-dentiality and to identify publicly their sources for a 1981 article linking a former hostage in Iran to

Associates of the reporters said they planned not to comply with the unusual order, which drew ex-pressions of concern from many professional journalists.

The directive by J. Scott Schmidt, publisher of the Daily News, which is distributed in the San Fernando Valley area of Los Angeles, followed a decision by Judge Sara Radin of Los Angeles County Superior Court. Judge Radin granted a default judgment to the former hostage, Jerry Plotkin, in a libel suit against the newspaper and the reporters. per and the reporters. The reporters had refused to obey Judge Radin's order on Oct. 7 to identify their sources for the article.

The default judgment means Mr. Plotkin has technically won the suit, subject to rehearing, though no damages were set. Mr. Plotkin, a businessman, was

one of 52 Americans who were released Jan. 20, 1981, after being held captive for 444 days by Iran. He was the only hostage in the group who was not an employee of the U.S. government. On the day of the hostages' re-

lease, the Daily News carried a froot-page article under the bylines of Adam Dawson and Arnie Friedman asserting that Mr. Plotkin had been the subject of a drug investigation by the Los Angeles Police Department before his captivity. The article suggested be might have been in Iran on a drug-buying mission when he became a hos-

Mr. Plotkin, 48, denied the re-port and sued the newspaper for libel. He is seeking \$60 million in

in more than a year of pretrial proceedings, the Daily News had supported the reporters' decision oot to disclose the sources of the article. They said they had received the information only after giving assurances that the sources would oot be identified.

On Wednesday, however, six days after Judge Radin granted the default judgment, the paper asked her to reconsider the decision at a hearing Jan. 10. Mr. Schmidt, the poblisher, submitted a statement saying he had advised the reporters that "it is the publisher's policy to in the first debates over the Clean Air Act, according to a Senate transcript. At the time, Senator Ted Stevens, an Alaska Republi-can, was worned that the city of comply with the court's order," adding: "I ordered said reporters to so comply. To date, the said reporters have not complied with my

The Daily News, which has a circulation of 135,000, is published by the Tribune Co. of Chicago, which also publishes the Chicago Tribune, the New York Daily News and other publications. Mr. Dawson and Mr. Friedman declined to be interviewed, but col-

Managua, Citing Copter Deaths, Assails U.S.

two reporters had told them that they had decided not to obey the order. A close associate of Mr. Dawson, however, said his decision was not final. "He's not sure he wants to be a martyr," the associate said.

According to reporters at the Daily News who are familiar with the matter, Mr. Dawson was summoned to a meeting with Mr. Schmidt and senior editors of the paper Dec. 19 and agreed, under sources is essential if they are to

the article. But be said he would do so only if they agreed to give the information to the court only with his consent, and the executives refused. The issue of whether a reporter

has a right to maintain the confi-dentiality of sources has risen in-creasingly in civil and criminal litigation in recent decades. Reportpeople, out of self-interest or fear, would oot otherwise give them information. Many lawyers, on the other

hand, contend that reporters' claims of such privilege impede the ability of courts to administer jus-tice. In bbel cases in particular, they argue, it is improper for reporters to claim such a privilege because it can be abused by publications' efforts to protect them-selves from court judgments.

placed on the dissemination of in

formation once it is received by lo-

cal police? What remedy, if any,

does an individual have - and

against whom — if the information

2 Lawmakers Question Plan to Let Secret Service Use FBI Computer

vice would be immediately in-

formed when one of its suspects

was arrested. Cooversely, the com-puter would enable local and state

law enforcement officers to deter-

mine quickly whether an individu-

By David Burnham New York Times Service

Until now, the Federal Bureau of Investigation's computer has been mostly limited to bolding information about people who have been accused of a crime, not those viewed as potential suspects.

to broaden the computer's scope without the approval of Congress has been criticized by the Demo-

California Democrat, and Representative F. James Sensenbrenner Jr., a Wisconsin Republican.

While praising the goal of im-proving protection, the congress-men said they had "scrious reservations" about the proposal and questioned the Justice Department's authority to begin the operlegislation."

into the bureau computer names of those it decided might present a threat to the president, vice president, presidential candi-dates, visiting heads of state and

Center, is the heart of one the largest and most elaborate communication systems in the world. It links 64,000 federal, state and local justice agencies.

According to William H. Web-ster, director of the FBI, the Secret Service receives 9,000 reports a year about people who might represent a threat. But only 300 to 400

at one time, he said, are deter-mined to be dangerous. nined to be dangerous. What are the criteria by which individuals are placed on the Se-Placing the names of the cret Service list?" they asked in

WASHINGTON - Attorney General William French Smith has approved a plan that would allow the Secret Service to use an FBI computer system to keep track of people it believed might pose a threat to officials guarded by the Secret Service.

The Justice Department's plan

cratic chairman and the senior Republican of the House Subcommittee on Civil and Constitutional The criticism came in a letter sent to the attorney general by Representative Don Edwards, a

ation "in the absence of specific A spokesman for the department said there would be no immediate response. Under the proposal, the Secret Service would be allowed to place

others for whom the service is re-The FBI computer, known as the National Crime Information

is improperly disseminated? "In addition, what assurance do al they were considering arresting or had arrested was a Secret Serwe have that this system will oot evolve into the sort of system maintained by the Secret Service in the 1970s when 'dangerousness' vice suspect. The two congressmen said there were many questions to be re-solved before the system should be and 'threat' were interpreted to in

suspects in the bureau's computer their Dec. 17 letter to Mr. Smith. would accomplish two law-en-

forcement goals. The Secret Ser-change? What restrictions are

clude political dissent? permitted to operate. Government Fails to Aid Homeless.

7 New York Religious Leaders Allege New York Times Service NEW YORK - Seven of New

York City's most prominent religious leaders have accused government officials of failing to aid the homeless, whose numbers were described as having reached "crisis proportions."

At a news conference at the Ca-

thedral of St. John the Divine in Manhattan, Protestant, Catholic, Jewish and Moslem leaders said Friday that they recognized an ob-ligation of religious institutions to help the homeless. But they said such aid was primarily the respoosibility of government. "The number of poor and home-

less has reached crisis proportions," said the Episcopal bishop of New York, Paul Moore Jr. This problem will only be solved by public policy."

A year ago, Mayor Edward 1. Koch called on religious organizations to help shelter the homeless.

563 II 61 et agences

The Partnership for the Homeless an interdenominational coalition. was formed four months ago and has set up 113 beds in 10 churche and synagogues. Yet the religious leaders criti-

cized government officials for indi-

cating that religious institutions

alone could help all the homeless.

whose oumber governmental and private estimates say will reach 36,000 in New York City and from 500,000 to two million nationwide Recalling that President Ronald Reagan had suggested that each religious institutioo in the country

care for 10 welfare families, Bishop Moore said, "This is balderdash as a solution," Mayor Koch said Friday: "We can do more and so can the religious institutions." The city housed 4,225 homeless people Thursday night, the mayor said, while churches and synagogues housed

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WORLDWIDE ENTERTAINMENT

PARIS



U.S. Pollution Deadline Causes Little Concern

By Dale Russakoff

Washington Post Service
WASHINGTON — The warnings from the Reagan administration were dire. Unless Congress
amended the Clean Air Act in its
invited of the Clean Air Act in its postelection session, major indus-tries would be forced to shut down, states would lose billions of dollars in federal aid and the nation would suffer "great environ-mental and economic disloca-

> Congress apparently was not convinced. The House and Senate have gone home for the year without changing the stringent federal air-pollution law and without extending the Dec. 31 deadline for Cleaning up the vation's air.
>
> That means that as of New
> Year's Day, more than 400 coun-

ties across the country will be in violation of national clean-air standards, facing all those punish-ments threatened by the adminis--tration But as the new year approaches, the potential victums of these fed-But as the new year approaches eral sanctions — local officials and industry leaders - seem as unper turbed as Congress, Like several Honse and Senate leaders, they

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Sept Sept of Late

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William Fleet 7 5 457 4 A CONTRACTOR OF THE PARTY OF TH

said the administration appears to have overstated the case.
"I must confess that the people in our industry aren't unduly alarmed," said Fred Weber, executive vice president of the Edison Electric Institute, an organizatioo

that represents electric utilities.

before any funds are halted,

said S. William Becker, head of an

would be affected by a freeze in

organization of state officials who

federal aid.

"It could take six months to two

one of the most complex environ-mental laws on the books. Congress and the administration, in-dustry and environmentalists wres-tled over it throughout the twoyear session, but the factions were so divided that no proposed changes came to a floor vote.

Advocates of a stringent cleanair measure char ed the adminis-tration with "olowing smoke" about the dangers associated with the Dec. 31 deadline in hopes of watering down other portions of the act during the postelection session. However, House and Senate leaders turned down White House requests to put the issue on the ends, putting off the fight until the 98th Congress.

The drive to reauthorize and revise the act is expected to be-come the top environmental issue of that oext Congress.

Meanwhile, with Dec. 31 less than a week away, the impact of the clean-air deadlines and federal

sanctions remains uncertain. The Environmental Protection Agency has said that 421 counties, every state except North Dakota, have failed to meet the act's standards for controlling at least one of five major industrial pollu-tants — sulfur dioxide, carbon monoxide, ozone, nitrogen dioxide

and particulates. EPA officials across the country are collecting air-quality data and are expected to publish a list in late January of the areas that remain too polluted, along with potential sanctions to be imposed. The EPA administrator, Anne M. Gorsuch, has said that she will

At the heart of the confusion is be forced to deny construction permits to certain companies in pol-luted areas, even if the permits are way aid and grants to clean-air programs in those areas.

But Senator Robert T. Stafford, a Vermont Republican who is chairman of the Environment and Public Works Committee, which has studied the Clean Air Act for two years, has taken strong issue with Mrs. Gorsuch's reading of the

in a letter to the EPA chief, he argued that many of the punishments in the law are discretionary. He also wrote that federal sanc-

By Edward Cody

leadership at repeated and increas-ingly large attacks near Nicara-gua's border with Honduras.

Diplomats in Managua say it also demonstrates that U.S. bostili-

ty strengthens hard-line factions in

revolutionary guerrillas.

ington Post Service

Fairbanks would lose highway aid even if local officials made a good-faith effort to control pollution. Mike Gravel, who at that time

was a Democratic senator from Alaska and who had written the highway aid provision, promised that the law would do oo such

ership that leans toward Marxism

but whose political system is still being defined three and a half years after the revolution that MANAGUA — The recent deaths of 75 Nicaraguan children in a helicopter crash have become overthrew the Somoza regime. The denunciations of Washington often link President Ronald Reagan personally with the helicopter crash. A Christmas-season commentary on the official Sandian Padian Comments of the Reagan to the focal point of an increasingly bitter campaign by the Sandinist government against the United States and its support for countercommentary on the citical sandi-no Radio compared Mr. Reagan to King Herod, who in the Bible or-dered babies murdered in an at-tempt to eliminate a threat to his The campaign reflects growing frustration in the revolutionary

power from the newborn Jesus. There has been no evidence that the crash Dec. 9 was the result of guerrilla gunfire. The Soviet-built the Sandinist government, foster-ing more radical policies in a lead-and children away from border vil-

to be evacuated because of fre-quent guerrilla attacks. The Defense Ministry said a res-

chine-gun fire as it approached the burning wreckage. The Sandinist leadership has rejected speculation that the helicopter was simply overloaded. In-stead, it characterizes the crash as an example of what the United

The first announcement came from Culture Minister Ernesto Cardenal, who interrupted a speech inaugurating a Latin American art exhibit the night of the

crash to give the news and to de-clare: "This is the result of President Reagan's trip to Central America "

The Defense Ministry followed cue helicopter came under mathe next day with a straightfor-ward communique describing the deaths. Twenty-four hours later, however, a national radio octwork broadcast expressions of sorrow and denunciations of Mr. Reagan and U.S. policies.

Defense Minister Humberto States and exile forces on the bor-der are doing to the Nicaraguan Ortega said at a rally that evening that the 75 children had "given their young lives because of the criminal situation resulting from the unjust war that Yankee imperialism is waging against our young

Andropov's Challenge

From Bad to Worse

The interest of Yuri Andropov's speech last Tuesday, in his first public appearance since taking over from Leonid Brezhnev last month, goes well beyond the part of it on missiles in Europe that has drawn the most attention in the West. The speech indicates that Mr. Andropov landed in the Kremlin leadership running. New American presidents may take up to a year or more to work into foreign policy. Mr. Andropov, long a member of the Brezhnev team, jumped right in. Notwithstanding his early focus on shuffling personnel and bowing to the priority of domestic reform, he plainly intends to take a strong hand in foreign policy, too.

His speech answers some major early ques-tions about the direction in which he intends to go. The latter-day Brezhnev had sometimes appeared to be bending even more than Soviet Polithuro chiefs usually do to the demands of Kremlin arms-builders. Mr. Andropov starts by offering the West a broad program of arms control under the banner of going "back to detente." He would negotiate, he says, before undertaking new arms-build-ing; if talks fail, then he will build.

Whether his specific arms control proposals are ultimately negotiable is a necessary and serious question. There can be no doubt, however, that his pitch is carefully designed to appeal to the large constituency in the West, and especially in Europe, that questions Ronald Reagan's policy. Take, for instance, his warning to Europeans that new American missiles "would make peace still more fragile." (Soviet missiles, of course, make peace more secure.)

The Andropov Euromissile position, offering to reduce the oumber of SS-20s to the oumber of French and British missiles, was immediately rebuffed by Washington, Paris and London. The Western capitals had reason to say oo to a proposal that would freeze a Soviet advantage in Europe and force a separation of interest between the United States and its allies. But their rejections will not mean the end of the Andropov proposal.

The Soviets must understand, one Ameri-

can official said, that the key lies "in Geneva in secious negotiations and not in trying to influence public opinion." That is very confused and wishful thinking.

Obviously Moscow is going to keep on working Western opinion. The alliance is going to have to come up with a better answer to the question about British and French missiles. In a word, Mr. Andropov, whatever else he may turn out to be, already looks like a formidable adversary. A very difficult time is coming in Atlantic relations. Mr. Andropov is counting oo it.

-THE WASHINGTON POST.

The American economic condition is stark. Inflation continues to subside, but what might have been good news has become part of the bad news. The tight credit that pounded down inflation also pounded the economy, and the decline has not been stopped. Recovery is still not visible; neither are national policies that would make it happen.

These are the unavoidable conclusions of two statistical indicators. The Consumer Price Index, which was skyrocketing two years ago at an annual rate of more than 13 percent, moved barely a hair in November. But the gross national product, after growing ever so tentatively since spring, is falling again, at an annual rate of 2.2 percent.

Neither figure is definitive. The index is best read over several months. The gross product is subject to revision when more data arrive. Bot both figures are descriptive. No-vember prices confirmed the pattern for the year: a marked slowdown to an annual inflation rate of about 4.5 percent. And the gross product report implied more bad news to come. The economy, four years stagnant, is still shrinking - many months after the president had expected the start of expansion.

Who imagined two winters ago, when dou-ble-digit inflation seemed a permanent curse, that the rate could drop so far so fast? Not the headstrong ocwooners in the White House or even the sober veterans at the Federal Reserve. But neither did they foresee that

their policies would plunge first the country and then the world into a deep recession from which there is still no clear exit.

Obviously the American economy needs more stimulation quickly. The risk today is prolonged stagnation, or collapse, not infla-tion. The Federal Reserve has eased monetary restraints substantially over the last six months, and convincingly so in the last two. It still professes unwavering vigilance against inflation, but its expansionary acts speak louder than its words. That is certainly moving in the right direction.

The administration, however, isn't moving at all. Whatever new proposals the president is preparing for Congress in January will al-ready be too late. Will they also be too little? He should at least follow his inclination to speed up the 10-percent income tax cut scheduled for July, while making meaningful commitments to smaller deficits in the future.

It requires no degree in econometrics to see that 1983 will oot start with a bang, and that White House predictions of 3- to 4-percent growth for the year will be wrong again. At the least, the indicators mean that recovery, if it occurs, will start from a deeper trough. And unemployment is sure to rise further. What the president proposes to do about it will take months in Congress, and more months to have effect. He continues to say wait till next year. That oow means five days. -THE NEW YORK TIMES.

Other Opinion

Fleet Street Reads Andropov

The probable lesson [of his speech last Tuesday) is that what makes Mr. Andropov interested in negotiation is the readiness of the West to get on with installing its cruise and Pershing missile defenses against his SSthese if they could are, in fact, only likely to delay a realistic and fruitful disarmament agreement by inducing in Mr. Andropov and his henchmen the bope that the West will disarm while Soviet missiles remain in place.

Yuri Andropov's speech deserves the closest attention. No doubt it would be straining innocence to take all of it at face value. But the weary cynicism which is wont to greet initiatives from Moscow is equally out of place. Mr. Andropov is offering a novel ou-clear package: that Soviet missiles in Europe shall not exceed those of Britain and France. NATO, without loss of face, can respond by shelving the cruise and Pershing program, for it is becoming even clearer that those weapons in turn would be matched by something greater and that the balance we have is as favorable as any we are going to get.

— The Guardian.

The Andropov proposal may be useful propaganda aimed at the anti-nuclear movements in Western Europe, but it stands no chance of being accepted by the United States in Geneva.

Mr. Andropov's first appearance on stage as Russia's oew prima donna may have pleased his immediate audience of welltrained seals. His speech was angled towards stoking up anti-American ouclear weapons sentiment. He aimed to portray America as the warmonger and Russia as the peace-lover who would nevertheless match every increase in ouclear weapons ad infinitum.

Negotiations with Russia must continue and all Russian suggestions should be exa-

mined calmly across the table in Geneva when the talks resume oext month. But Mr. Andropov's agitprop song is not much help.

— The Daily Telegraph.

'After All, It Is Europe'

Although the speech was a masterpiece of misleading rhetoric, it contained elements that deserve careful exploration when the Euromissile negotiations resume in Geneva.

Mr. Andropov talked carnestly about the Soviet Union's problems. He accused the United States of seeking military superiority and of making strictly one-sided proposals in arms control oegotiations. Then he went on to make a one-sided proposal of his own.

The Andropov proposal reads very much like a ploy aimed at giving new ammu to the anti-nuclear movement in Europe, especially West Germany, without committing Moscow to meaningful concessions.

Still, it should be remembered that the Soviets initially refused to even talk about re-ducing their formidable force of 300-odd SS-20s. Then they accepted negotiations. Now they have offered to move a considerable way toward the American "zero option" proposal, albeit with unacceptable conditions. While the American and other allied gov-

ernments were right to point ont the self-serving one-sidedness of the Andropov proposal. that should not be the end of the matter. In recent weeks European leaders have indicated their willingness to accept something short of total Soviet removal of the SS-20s. If that sort of flexibility is acceptable to our allies, it should be acceptable to us. After all, it is Western Europe, not the United States, that is directly threatened by the imposing Soviet force of regional nuclear missile

While Mr. Andropov's proposal is not acceptable in its present form, it is conceivable that, when the offer is explored further in Geneva, some of its more objectionable features can be satisfactorily dealt with. In any event, it is important to find out.

— The Los Angeles Times.

DEC. 27: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: The Empress Cracks Down

SHANGHAI - Alarmed at the tone of the provinces towards the policy of the Peking government in borrowing British mocey to construct the railways, the Empress Dowager has issued a decree of a reactionary character forbidding people to discuss the state of af-fairs or to hold meetings, and ordering the press not to refer to such questions. It is believed this step is a consequence of the menacing tone assumed by British-Japanese allies in reference to various outstanding questions now agitating the country, in regard to which there is undoubtedly much right opon the Chinese side.

PHILIP M. POISIE

1932: Stalin Purges the Party

MOSCOW — That the sweeping purge of the party, decreed a few days ago throughout the Soviet Union, is the result of difficulties in carrying out the government's agricultural policy, is indicated in an editorial in Pravda. The party must rid itself, it says, of kulak elements that have found their way to membership and are now organizing the sabotage of grain collections, for the kulak can succeed only when he is assisted by party enemies holding party membership cards. Thus it is clear that those to be expelled constitute the right kulak wing, which is opposing Stalin's policy of rapid socialization of agriculture.

JOHN HAY WHITNEY (1904-1982), Chairman KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Charmes LEE W. HUEBNER, Published ROLAND PINSON Executive Editor RENE BONDY FRANÇOIS DESMAISONS RICHARD H. MORGAN Deputy Editor Deputy Editor Associate Editor

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France Telephone 747-1265. Telex 612718 (Herald). Cables Herald Paris.

Directeur de la publication: Walter N. Thayer General Manager, Asia: Alain Lecuur. 24-34 Hennessy Rd. Hong Eang Tel. 5-28 56 18. Telex 61170.

S.A. au capital de 1.200.000 F. R.C.S. Namerre B 732021126. Commission Partiaire No. 34231.

U.S. subscription: \$256 yearly. Second-class panage paid at Long Island City, N.Y. 11101.

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'Hey, look who's back. How was South America, man? You find any country would give us a loan?"

Gloomy Figures, Plus Ideas for the New Year

PARIS - No, Messrs. Presidents and Prime Ministers, there is no Santa Claus. Or, as Sylvia Ostry puts it, governments were saying early this year that there is oo free lunch in the fight against inflation, but they did not realize how ex-

pensive lunch was going to be.

Perhaps it was not in keeping with the holiday spirit for Mrs. Ostry, who heads the economics department at the Organization for Economic Cooperation and Development, to forecast just before Christmas that unemployment would continue to rise and that growth would be sluggish into mid-1984 on the basis of current policies.

Mrs. Ostry does not believe in Santa Claus or in

self-deception, but rather in a concerted effort essential to get world trade moving again. She is the brilliant, no-nonsense Canadian economist who heads the international analysis and prediction team of the industrial oations. They have just released their semi-annual report.

"We do not see economic growth picking up to capacity growth rates," it says, And: "Unemploy-ment seems set to rise in most countries, and the growth that we foresee for the United States is unlikely to be able, indeed cannot be expected, to

The report does not publish recommendations.

They are kept private for governments. But they are implied in the gloomy statistics and in the repeated statement that the painful effect of policies than greater than the private interface. has been greater than governments intended

The OECD does not quarrel openly with Treasury Secretary Donald T. Regan's forecast of 3- to 4-percent U.S. growth next year, It just says that "this projection, while plausible ... depicts an upturn of which there is so far scant evidence." In any case, that would not be enough to bring down the number of American jobless before mid-1984. The clear cooclusion of the rigorous internation-al experts is that the way to get the industrial counBy Flora Lewis

tries working again without generating a new surge of inflation is a hearty infusion of purchasing pow-er into Third World countries. Those countries' trade, and thus the rich countries' earnings, is sagging badly under the combined burden of exces-

ging to the property of the commodity prices.

Even the OECD's more encouraging projections, the report says, are "subject to risks," particularly from a surge of protectionism and too little credit. "It is the clear responsibility of governments to minimize these risks"—that is as far as Mrs. Ostry's team will go in pointing a public finger. But that is their way of telling President Ronald Reagan and other leaders that nature and the free market cannot do it alone.

Now for the better oews. Secretary Regan's vague remarks about the inadequacy of existing institutions to cope with the world crisis, and about U.S. willingness to consider new ideas, have provoked European response.
French Finance Minister Jacques Delors has

made two proposals to Secretary of State George P. Shaltz. One is a plan "for ambitious programs to solve certain irritating quarrels in trade, notably food," through the World Bank.

America and Europe are on the brink of a bread

and butter war to spoil each other's markets by dumping. Mr. Delors's idea is a kind of Third World Marshall Plan to handle sale of surplus food stocks to a hungry world, which would avoid Euro-American rivalry, reduce huge storage costs and enable developing countries to use their scarce currency for industrial goods they need. If that cannot be agreed, he suggested, then

there should be an extra increase in International Monetary Fund resources (special drawing rights) to get trade moving again. Along with these pump-

priming proposals, there is to be substantial addi-tion to world financial capacity for speedy rescue of countries threatened with default, and a new look at ways to keep the dollar, the yea and the European Monetary System's European currency units from pingponging out of balance. One idea is to spread the reserve role, with the

dollar serving as exchange for perhaps 60 percent of world trade, instead of 80 percent as now. When the dollar was very strong its dominance hunt others. As it weakens it will hunt the United States.

"We have been firemen," Mr. Delors said of urgent moves to save Mexico, Hungary and Brazil from bankruptcy, "Now we must be architects."

Mr. Shuitz has added a new awareness in the Reagan administration that not only are trade, money and debt problems linked, they necessarily affect political and defense prospects. And he knows that no country can go it alone. He told European officials, for example, that the crash program for Mexico included advice to sell more and buy less, and that is bad for the United States. If everybody tries that tack, it is disaster for all. So it is good that the OECD did not mask the

bad news, as several governments wished on the ground that depressing predictions make things worse by undermining confidence. It is good — provided it really spurs the men who manipulate major economies to new, constructive agreements. Supply-side theories failed. Tight money squeezed too much productive muscle as well as inflationary fat out of the world. The United States is not a locomotive that can pull all others to recovery. It cannot move far or fast enough on

its own steam, without cooperation,
No Santa Claus, But there is now at least a hope of a much-needed Christmas present in the form of a new package of international economic agreements in the coming year.

The New York Times,

A Lady's Journey and a Bankers' Nightmare

ONDON - The collapse of the Argentine economy threatens to cause the collapse of one of the biggest banks in the world, which cannot meet its obligations and has to be rescued by an emergency committee of the other major banks. The subsequent loss of confidence causes a drastic cutback in leading to developing countries which depresses their economies for the next decade, and some economists reckon that the international banking system will never be the same.

This is not just another gloomy scenario about the collapse of banks, such as have been offered recently by several prominent newspapers. It is what actually happened — in 1890, when Barings' bank in London had to be rescued by Roth-schild's and others after it had been

rashly lending to Argentina.

Yet Argentina, in spite of all its convulsions, coups and chaos in the 92 years since, has retained an irresisoble fascination for bankers. It has been a classic case, like Zaire, of a country with rich resources which look marvelous on paper — superb land, many minerals, oil — but with people and leaders who have been able to squander them. Today Argentina is once again on By Anthony Sampson

an economic tightrope, watched anxiously by the world's bankers. Its debt is smaller than Mexico's or Brazil's, and since it is almost selfsufficient in oil it is little affected by the ups and downs of oil prices. But politically it is the most unstable of those three countries, and the one that seems closest to the bankers' ultimate nightmare — of a country which is taken over by a revolutionary demagogue who insists on repu-diating all his debts, whatever the costs in terms of ostracism from the world's financial markets.

It is this fragility of Argentina's financial system that puts the British banks into such an awkward position in the current predicament. For on the one hand they feel compelled to keep on lending to Argen-tina in order to avoid a major breakdown; but on the other hand the Conservative government under Margaret Thatcher is still at daggers drawn with the government in Buenos Aires and regards any new loans to Argentina as being poten-

tially "money for Exocers."

This dilemma is part of a larger contradiction in Britain's relationship with Argentina, which for 150

years, through all its upheavals, has been a favorite enstomer for British banks for all kinds of loans. Not

long before the invasion of the Falklands the British government had sold two warships to the Argentineans which were paid for by loans from British banks. Now a controversy is raging through Whitehall about Mrs. Thatcher's proposed visit to the Falklands next February to cele-

brate the 150th anniversary of the colonization of the islands by Britain. She has made clear that she is set on the arduous trip — featuring a 12-hour flight in a Hercules transport from Ascension Island, since she does not wish to break her journey on Latin American soil - to ow her identification with the Falkland Islanders for whose interests she so resolutely went to war. Most of her advisers, including

the diplomats, are very worried about the implications of the visit. It is not only that it will appear a provocative act to Argentine all political persuasions, and to many other Latin Americans, to celebrate this colonial history. It also seems likely to destabilize the

Argentine economy still further, at a time when its weakness already presents a serious threat to British and American banks. Mrs. Thatcher's supporters can

point to the fact that the Falklands war had the beneficial effect of toppling the previous leader of the jun-ta, General Leopoldo Galtieri. But her opponents argue that to perpotuate the confrontation can only worsen Argentina's economic crisis, which will benefit no one except the extreme radicals who would like to bring down the whole system.

In this argument the United States cannot avoid being deeply in-volved. At a time when President volved. At a time when President Ronald Reagan and Secretary of State George Shuitz are trying hard to re-establish good relations with Latin America, with the help of generous loans, after the wave of anti-U.S. feeling that came with the Falklands crisis, the arrival of the combative British prime minister in that part of the hemisphere is the last thing they want. Thus those disputed islands may

produce a still further crisis - who ther for the economy of Argentina or for Anglo-American relations.

International Herald Tribune.
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Overheard at the Border the Other Evening THE BORDER - Good evening.

May I see your passport.

I've been coming here every Christmas for many, many years and nobody ever asked me for a passport before.

Things are different now. Terror-isis and all that. We have to be careful. Your name and occupation? Santa Claus, Cheerlead

Is that your real name?

I have gone under the name of St.
Nicholas, Old Nick and some other names in other places. Where have you come from? Just now, Russia and Canada.

Mmm, very interesting I should have known by the color of your uniform. Place of birth? I think Greece but I'm not sure.

None. According to U.S. regulations, I must put you down as an undocu-mented or illegal alien. Flying in here under the radar screen on reindeer is clearly a violation of civil and military regulations, and also may bring you under charges of cruelty to ani-

mals. May I see your pilot's license? Well now, I've been flying these reinthe first time I've ever been asked for o license. You don't seem to understand: I'm just o legendary character, sort of a

floating happy dream.

Look Mister, you seem like a nice old geezer, and I don't want to give you a hard time, but there's no quota in this year's official Christmas immigration rules for a legendary charac- couldn't satisfy the people who didn't

By James Reston

ter or floating dreams or even ideas. Just what is the purpose of your visit?

I only wanted to drop down a few chimneys and leave some presents oround for the children. All I need is a transit visa for a few hours. I'm really needed more in Mexico. Do you realize that the rich have

burglar alarms on their chimneys? I was thinking mainly about the poor. I heard that you had 12 million people out of work here and that many of them had children. Is that right?

Look, Old Man, I'm asking the questions, OK? I now have your

record on the computer and it says that for years you have shown liberal tendencies. You have not been evenhanded between the rich and the poor, but have favored the poor. That's an understmement

May I ask you a personal question? Yes, but please hurry, I must get on fore Christmas.

Why do you look so jolly when so many people are so gloomy?

That's why I'm jolly. The gloomier they are, the jollier I get. isn't that a little odd?

No. If everybody was jolly I'd be unemployed. It's not that I love misery, but in my line of work the more misery there is the more I'm needed. What about your budget this year?

Just about right. If it was fatter I

need or deserve more and if it was any slimmer I wouldn't even have any dreams left for the people who need me. Let me just look at all these pack-

ages you have on this sled. I dou't suppose you would have any toys made in other countries: in Japan for example, without American components, or German trains or British tin soldiers, or dolls for little girls from Prague or Warsaw or any of those other communist countries? I don't suppose.

What presents did you distribute on your way here?

I dropped off a copy of "War and Peace" in Moscow and also the official statistics of the casualties of the last two world wars. In Europe I circulated copies of Jean Monnet's memoirs, and some poems on the preservation of freedom and the defense of Western civili-cation. In Canada I left the history of the war between the states in America. Is it wise to go around the world

scattering dreams, instead of concentrating oo all the hard news about the gross national deficits and the oeed for more cruises and Pershings and Bis and MX dense packs or dunce packs, or whatever they are? I certainly do. These economic and

military realists with their computers and their predictions of disaster are depressing the entire world. so what do we do?

Me, I'm not asking for very much. I just want a transit visa for a few hours ta ga down a few chimneys. The New York Times.

It was with particular joy that I read Flora Lewis's refreshing invitation (IHT, Dec. 15) to seek a new Ernest Bevin and a new Jean Monnet to lead the re-creation of international structures of trade and finance, after the exhaustion of Bretton Woods and a decade of recession and alump. With her I feel the urgent need for what in retrospect a latter-day Dean Acheson might one day describe as being present at the re-creation.

But we should not be too parochial in our bunt for renewed institutions or new leaders. The re-creation that Treasury Secretary Donald Regan hints at must be broad enough not only to renew the basis of growth in the West but also to set a new framework for East-West economic links, North-South relationships and the key position of the OPEC countries. If the new Bevin or Monnet are to be heard, our cars should be attuned

languages and in discomforting tones. J.R. BOOTH London,

'Manage the News'

In his article (IHT, Dec. 8) on the ethical problems of using unnamed news sources, Donald Shaw writes that the term "managed news" first came into vogue during the adminis-tration of Lyndon B. Johnson.

The earliest use of the management

A Silence Of Consent? By Philip Geyelin WASHINGTON - Senator John

West Bank:

TI

W Glenn, the Ohio Democrat who is currently rated the frontrunner-up for his party's presidential nomination, makes a case against Ronald Reagan's handling of Israel's Prime Minister Menachem Begin that bears directly on pressing business. Just about everybody except the Begin government agrees that one key to pumping new life into the Camp David "peace process" is a freeze on expanded Israeli settlement of the West Bank. That has been the main sticking point in President Reagan's somewhat inconclusive efforts to involve Jordan's King Hussein more intimately in the next step: negotiations for a five-year transitional period of "full autonomy" for the West Bank and Gaza, with the ultimate status left open. King

foreclosed by settlements.

Mr. Reagan can hardly disagree.
His September "initiative" prescribed
a "freeze" on further Israeli settlements. But Mr. Begin has responded with announcements of a whole new batch of settlements. So the finger points at Menachem Begin.
But Sen. Glean's case against Mr.

Hussein's point is that he cannot ne-gotiate on the future of the West Bank while the future is being rapidly

But Sen. Glean's case against Mr. Reagan goes a long way to explain Mr. Begin's defiance.

It is the senator's conviction that what heads of government say to each other through emissaries or in public pronouncements is far less important than what they say to each other in private. And it is the senator's well-documented contentions. that Mr. Reagan has never even

brought up the subject of settlements in his encounters with Mr. Begin. The senator was aware, from a conversation he had with Mr. Begin last February in the presence of the American ambassador to Israel, that America had early warning of bow slim the pretext would be for an Israeli invasion of Lebanon. He was also aware of how little the Reagan administration apparently cared.

He was worried much earlier about

the seeming use of American-supplied weapons by Israel for other than defensive purposes (to contra-diction of U.S. law) in the Israeli at-tack on Iraq's nuclear reactor in June 1981, and the Israeli bombing raid a month later on Beirut.

Sen. Glenn is a member of the Senatc. Foreign Relations Committee. It is customary for Mr. Begin to come before that body fresh from White House meetings with the president. On the occasion of Mr. Begin's visits last year and again this year, Sen. Glenn thus asked Mr. Begin whether he and Mr. Reagan had talked about either the West Bank or the offensivedefensive use of U.S. equipment. He says he was dumbfounded to hear Mr. Begin say repeatedly that those

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matters never came up.

After Mr. Begin was in Washington in the fall of 1981 to lobby against the sale of AWACS aircraft to Saudi Arabia, Sen. Glenn had an opportunity to double-check on the first, crucial Reagan-Begin encounter. He was a member of a delegation of senators invited to the White House to be lobbied by President Reagan in support of the AWACS deal. He put it directly to Mr. Reagan: Had he and Mr. Begin discussed the West Bank settlements issue or the onestion arising from the use of American-supplied weapons?

Before Mr. Reagan could answer Vice President George Bush, Richard Allen, who was then the president's national security adviser, and De-fense Secretary Caspar Weinberger broke in one after the other to say that these matters had been dealt with in separate, lower-level discus-sions. "That wasn't my question," Scn. Glenn says he replied. Once again he asked whether the president and the prime minister had dealt with either the West Bank or the possible misuse, under U.S. law, of American weapons. Says Sen. Glenn: "There

was silence in the room." The consent that the Israelis have obviously read into a consistent record of sileace on the part of Rouald Reagan over at least a year and a half has carried the de facto annexation of the West Bank by Israel very close to, if not beyond, the

point of no return.

Mr. Begin's next visit to Washington is scheduled for early in 1983. The Washington Post.

LETTERS TO THE EDITOR

New Voices and Tones metaphor that I have found was by James Reston of The New York Times on Nov. 7, 1955, during the ad-

to voices that may speak in different

tions and decried the government's desire to "manage the news."

Joseph Kraft did much to popularize the idea in an Esquire magazine article in June 1959. The Dangerous Precedent of James Hagerty" (Mr. Eisenhower's press secretary).

ministration of Dwight D. Eisenhow-er, when he testified before the House Committee on Government Opera-

The practice of news management is, of course, age-old, and I would appreciate bearing from any reader who knows of an earlier use of the phrase. HOWARD M. ZIFF. Institute for Public Relations and Communications Studies,

University of Salzburg, Salzburg, Austria. Class and Espionage

John Grimond wonders "What

Makes Britain So Ripe for Espionage?" (IHT, Dec. 4). The typical turnocat has a monumental ego and feels that his abilities have not been suitably rewarded. Information is sold to a foreign power as a way of getting even with one's own society. So it is not surprising that spies thrive in Britain, where class distinctions based on accents, family background and education are an accepted part of the formal cultural pattern.

RICK BENGE

The Me Generation' Is Growing Up in China One-Child Policy and Doting Parents Have Created a Boom in Spoiled Brats

By Christopher S. Wren New York Times Service

BEDING — China's drive to hold down its population by restricting couples to a single child has created an unintended side effect the spoiled brat.

the spoiled brat.

The problem was summed up by a Shanghai The problem was summed up by a Shanghai The problem was summed up by a Shanghai The Chinese up in a family, and parents and grandparents are planets orbiting the sum. The Chinese used to have large, extended families in which uncles, sumts, cousins and older brothers and sisters all pitched in to teach a child how to behave. But the traditional teach a structure is being altered by the limits the

Thought is structure is being altered to being altered to state imposes on family size.

Before, you could say to

Before, you could say to your child, 'Look at your brother, look at your sister,' "lamented a father in Beijing, "Now there is no one else for comparison."

China is trying desperately to keep its population to 1.2 billion by the year 2000. The nationwide census conducted in July disclosed that the mainland already had 1,008,175,288 critizens.

the first the first of the firs Hao Jianxin, the highest-ranking woman in the Communist Party secretariat, said at a conference on family planning last week that China's annual population growth for the rest of the century must be held to 9.5 per 1,000 to achieve the target

See Mr. Mr. achieve the target. . That is well below the 14.55 per 1,000 re-ported for 1981 or the 13.5 per 1,000 estimated

> A new campaign is being mounted next month to promote the single-child family because a baby boom has been forecast for the

BELIING — Twenty-three per-sons were killed and 20 to 30 in-jured Friday when a Chinese air-

The Soviet-built Byushin-18 with 69 on board made an emer-

China's state-run airline, CAAC,

said an investigation was under

way to determine the cause of the

fire, but the official Chinese news

agency indicated it might have

been caused by an electrical fault.

The Associated Press

MOSCOW - China, which did

Kremlin observances marking the

ion, has sent a brief congratulatory

The Soviet government newspa-

per Izvestia published the text in

China expressed "ardent congra-

tulations" on the Soviet anniver-

sary and then stated Beijing's hopes that barriers to improved

ments from other governments.

iner caught thre on its proach to the airport at Guang-zhou official reports said Sunday.

The Soviet-built Byushin-18

gency landing with smoke pouring from its fuscinge. On the runway, it burst into flames.

off a "circuit" after learning that

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next 15 years as those born during the 1960s, before family planning was imposed, get mar-

According to Miss Hao, who is also minister of the textile industry, an estimated 78 million young Chinese will be getting married in the next three years.

New penalties promulgated recently in the northern province of Shanzi could be a harb-inger of an even stricter national family plan-

The Shanxi Daily newspaper reported that couples expecting a second child will now forfeit 20 percent of their salaries if the wife refuses to have an abortion. If the second child is born, the couples will lose 15 percent of their salaries until the second child is 7 years old. The penalties are stiffer for a third child.

Billboards in almost every Chinese city extol the virtues of the single-child family, often showing a healthy, well-dressed tot being ca-ressed by beaming parents. Such propaganda has evidently affected the self-esteem of chil-

A letter to the Worker's Daily newspaper complained that children without siblings went to the head of the line for inoculations at some bospitals. In kindergarten, such children sometimes were given more candy than their classmates and were allowed to go home while the others had to perform school chores.

The letter said that such practices "sow dis-sension among children and add to the sense of superiority of only children,"

The effect is also felt in such big cities as Beijing and Shanghai, where only children al-ready account for more than half the kindergarten enrollments. The China Daily said that

23 Die as Chinese Airliner Bursts Into Flames

fire had broken out and made an

emergency landing, but it did not explain what sort of circuit was in-

volved. On Saturday night, Chinese television showed film of

flames leaping from a gaping hole in the rear cabin of the four-en-

gine, turboprop plane and rescue workers carrying stretchers from

dead had been identified as Chi-

nese, and two as foreigners. The

non-Chinese were identified as

Neil David Konheim, 31, an

American travel agent, and Chen Li-Fang, a Canadian who is gener-

al manager of the China Cultural

Pathologists were still trying to ger cabin.

Promotion Co. of Canada,

the scene.

"because they have nn hrothers and sisters, some nuly children never learn to care for others. When in kindergarten, they quarrel with their friends and refuse to share their toys."

The problem is also apparent in higher grades. Yang Lijian, the principal of the Shiyan primary school in Shanghai, said, "They get a little spoiled by their parents so we have

get a little spoiled by their parents, so we have

Cao Wenwen, n physician at the Shanghai children's hospital, has reported more obesity because many mothers are giving their babies candy and too much food. Lu Lezhen, a researcher at the Nanjing normal college, confirmed that some only children had developed poor eating habits and "always ask for choco-

late or sugar in their porridge.

The China Daily cited a survey made in Beijing of 1,741 children between the ages of 3 and 5 that said that 29 percent of the only children had become fussy eaters.

But the survey also found that only children

were "eleverer, more imaginative, more cre-alive, more inquisitive and healthier," possibly ecause they received more attention. And there is evidence that some parents do try to be conscientious about raising an only

child correctly.

The China Daily said 32 books, totaling 4 million copies, had already been published on the subject of bringing up a single child. And a special program aired by Beijing Radio has resulted in a paruphlet on child-rearing that has been distributed in 100,000 copies.

Tang Hua who beined conduct the Beijing

Tang Hua, who helped conduct the Beijing survey, told the China Daily, "The point is to make parents stop doting on their little darl-

per available in Beijing on Sunday

quoted a passenger as saying thick hlack amoke began to fill the rear

cabin shortly before touchdown. A

stewardess appealed for calm saying: "Comrades, don't worry. Ev-

eryone move up to the front." Minutes later, fire broke ont.

A CAAC official in Guangzhou,

reached by telephone Saturday night, said sabotage could not be

ruled out. But an airline spokes-

man in Beijing denied there had been an explosion on board.

In April all 112 passengers and crew members were killed when a

British-built CAAC Trident

crashed into a mountain on a flight

from Guangzhou to Guilin.



Kim Dae Jung, the South Korean opposition leader, and his wife board a plane for Washington after arriving in Seattle.

47 Political Prisoners. **Others Freed by Seoul**

WASHINGTON - The South Knrean government has an-nounced the release of 1,205 prisoners, including 47 political de-

The U.S. State Department welcomed the move, saying it would "make a further contribution to political harmony in South Ko-

U.S. officials said they boped that the amnesty given Friday, combined with the release last week of Kim Dae Jung, South Korea's leading opposition figure, sig-nified the start of political liberalization in South Korea. Seven of the political prisoners released had been imprisoned along with Mr.

Seoul said the amnesty was intended to foster "national harmony and cohesion." But it warned: "At the same time, the government makes it clear that it will take an even sterner attitude toward impediments to social stability and public order."

The pardon was welcomed by South Korean polincians. "It indicates the government is confident it can clean up undesirable leftovers from the old days," said an opposition politician, Kim Soon

U.S. officials said the actions by Seoul appeared designed at the very least to improve the political atmosphere for the visit in February of Secretary of State George P.

planned to seek medical treatment

Mr. Kim said Thursday as he ar-ived in Washington that he

The opposition leader, who ran for president of South Korea in 1971 against Park Chung Hee, was arrested in 1980 when President Chun Doo Hwan imposed martial law after an uprising in Kwangju. Mr. Kim was sentenced to death

later that year after being convict-ed of sedition by a military court on charges connected with the Kwangju rebellion. The sentence was later commuted to a life term and then to 20 years in prison.
It was not clear Friday whether

conditions had been placed on Mr. Kim's release or whether he would be allowed to return to South Korea. The Seoul authorities said when his release was announced that the suspension of his prison sentence could be revoked at any time, and one of his political followers said this meant "the likelihood of a permanent exile."

In a statement Thursday night, Mr. Kim, 57, said through an interpreter. "I want most to return to my homeland in the near future and dedicate my life to the Korean people" and to the reunification of North and South Korea.

U.S. officials said Mr. Kitn told associates recently that he did not intend to return to political activity if he was released.

He was greeted at the airport hy about 300 South Koreans who live in the Washington area. Mr. Kim said he was grateful to the Ameri-can people for their support, and he thanked President Ronald Reagan and Senator Edward M. Kennedy, Democrat of Massachusetts, for working to gain his release from prison.

State Department officials said Thursday that the release of Mr. Kim had both pleased and surprised the Reagan administration. They said that many months of quiet yet intense pressure, be-ginning at the end of the Carter administration, had had a key part in persuading Mr. Chun to release Mr. Kim.

In an interview Friday with The Washington Post, Mr. Kim called on the United States to speak out on human rights rather than pursue the "quiet diplomacy" used in his case.

"Clearly when Ronald Reagan was elected there was a great con-cern over the human rights issue," he said. "Of course, I thank them for what happened to me personally, but as far as I know it is widely perceived by the Korean people that the human rights issue under the Reagan administration has been retreating. America should speak out openly for justice."

Though he indicated that he did not consider himself under any constraints while in the United States, he avoided discussing major world issues in the interview, saying he had been free only a day and had not had an opportunity to study developments since he was imprisoned in 1980.

Chatti Arrives in Pakistan United Press International

ISLAMABAD, Pakistan — The secretary-general of the Islamic Conference Organization, Habib Chatti, arrived here Sunday to discuss Middle East problems and Afghanistan with President Mohammed Zia nl-Haq.

U.S. Prepares to Seek Talks With Albania on Gold, Allies' Claims

By David Binder

New York Times Service
WASHINGTON — For the third time in nine years the United States is preparing to make an overture toward establishing relations with the Communist govern-ment of Albania.

According to senior administra-tion officials, the plan is to pro-pose, together with Britain and France, negotiations on the return of more than \$36 million in gold to Albania in exchange for its agree-ment to settle claims with the three

The gold was transferred by the Italian occupation finces to Rome in World War II, looted hy German troops in 1943 and stashed in a sali mine in Germany, where it was eventually recovered by the

There had been desultory discussion among the United States, Britain and France in earlier decades about negotiating with Al-bania, but the idea acquired some urgency after the death of Leonid L Brezhnev, the Soviet leader, last

It was noted in the State Department that the new Soviet leader-ship under Yuri V. Andropov addressed unusually warm greetings to Albania on Nov. 29, the 38th anniversary of the liberation of Albania from Fascist occupation, as well as an invitation to resume ties that were broken in 1961. Administration officials familiar

with affairs in the region said the situation in Albania itself, where there has recently been unrest in the leadership, was also a factor in preparing for negotiations. Another, they said, was the perception in Washington that Enver Hoxha, 74, who has led the Albanian Commu-nist Party since 1944, was seriously ill and already considering the process of succession.

A year ago Prime Minister Mehmet Shehn was killed, or committed suicide, in what appears to have been a struggle against Mr. Hoxha over an opening to the

The struggle seemed to culmi-nate last month in the purging of some of Mr. Shehu's closest associates from party and government posts. In a speech in November, Mr. Hoxha denounced the Shehu faction for consorting with West-ern powers and with Yugoslavia.

He and some of his principal aides attacked the idea of resuming relations with the United States and with the Soviet Union, describing them equally as "imperialist and reactionary.

Still, administration officials think that when Mr. Hoxha steps down, Albania might shift its poli-

cy. The view appears to be shared in Moscow and Belgrade.

Administration strategists are increasingly regarding the Balkan reginn as an areas of compension rween the Soviet Union and the United States, specifically in Yu-goslavia. Facing a severe economic crisis, the Belgrade government has turned more in recent months in the Soviet Union as a trading

partner and to the United States and other Western countries for loan and credit support.

Specialists in Balkan affairs recall that because of a lack of solid information about the state of af-fairs in Albania, previous U.S. overtures were peculiarly ill-timed.

and one now might be poorly timed, too. In April 1973, a specialist re-called, Kenneth Rush, then deputy secretary of state, said in a speech that if Albania was to show interest in talks with the United States, it "will find us prepared to respond." Unknown to the State Department at the time, however, Mr. Hoxha was conducting a wide

purge of officials suspected of leanings to the West; some were executed and many others sentenced to forced labor. Seven years later the Rush offer was repeated, and it was subsequently discovered that another purge was under way in Tirana. U.S. claims in Albania amount

to about \$10 million for properties belonging to U.S. citizens that were nationalized by the Albanian government, Britain has a sizable elaim aris-

ing from a maritime incident on Oct. 22, 1946. On that day two British destroyers struck mines in the Corfu Channel, adjacent to Alhania, and 44 sailors were killed. Britain hlamed Albania, although the mines could have been placed the channel by Yugoslavia which then exercised a protectorate over Albania. Britain sought and won a substantial award more than half the value of the gold — from the International Court of Justice in The Hague in

Italy lays elaim to the gold on the ground that it was rightfully in possession of it when it was loosed from the Bank of Rome by Ger-

The gold is retained by the Bank of England in the account of a British-French-American Commission for the Restitution of Mone-tary Gold, which provisionally awarded the gold to Albania in

Mr. Hoxha declared last year that all the gold would have to be returned to Tirana before any discussions on diplomatic relations

New Empain Company Hit by Bomb in Paris

PARIS - A bomb exploded ear- French bank. ly Sunday at the headquarters of the Air-Materiel company, formed in June hy the industrialist Edouard-Jean Empain, French television reported.

No one claimed responsibility for the predawn hlast, which de-stroyed the ground floor of the 11-story building on the Left Bank of the River Scine. The police said

there were no injuries.

Baron Empain, 45, was contacted by the police at Megève, a ski resort in the French Alps, and said he had not received any recent threat, the radio reported. Baron Empain was held by kidnappers for 63 days in 1978.

The company sells spare parts and arms for airplanes, French ra-

Giving evidence Dec. 13 at the trial of eight persons accused of the kidnapping. Baron Empain said he was still receiving threats from members of the gang who were at large, because he had promised before his release to pay the kidnappers 40 million francs, then worth about \$8.5 million. The trial ended Dec. 17 with four of the defendants sentenced

to prison terms ranging from 13 to Baron Empain was head of the Franco-Belgian Empain-Schneider conglomerate and one of the most powerful businessmen in France when be was abducted ontside his Paris apartment in January 1978.

He temporarily relinquished control of Empain-Schneider after his release. Last year the conglomerate, which has interests in nuclear power, steel, engineering and to the war dead.

Air-Matériel employs about 15 people, the radio said. French press reports have linked the baron's frequent trips to South America with arms sales conducted hy the company.

finance, was taken over by a

Monarch Praises British Forces in Falklands Fighting

WINDSOR, England — Queen Elizabeth II, in a Christmas mes-sage, has paid tribute to the British forces that recaptured the Falkland Islands from Argentina.

In a recorded broadcast from Windsor Castle near London, the queen also thanked Commonwealth countries for their "immensely reassuring support" dur-ing the Falklands crisis.

in a speech centered on Britain's seafaring history, the queen said: "Earlier this year in the South Atlande, the Royal Navy and the merchant navy enabled our sailors, soldiers and airmen tn go to the rescue of the Falkland islanders 8,000 miles [12,800 kilometers] across the ocean and to reveal the professional skills and courage that could be called on in defense of basic freedoms."

That section of the monarch's address was termed jingoistie hy the Communist Party newspaper, Morning Star, which complained that the queen made no reference

Louis Aragon Dies in Paris at 85; Acclaimed Poet, Novelist, Essayist intense, reflective, creative and self-critical; but this persona was often obscured by the public fig-day in 1972. The citation bailed his By Frank S. Prial

New York Times Service

NEW YORK — Louis Aragon, 85, the French poet and Communist Party luminary, died Friday at his home in Paris. Novelist, poet and essayist, Da-

daist, Surrealist and Marxist, bat-ilefield hero in two world wars and Resistance activist, intellectual and Iriend of Picasso and Matisse, Louis Aragon was among France's foremost men of letters in the 20th c century. Over more than half a century, he wrote a score of novels, hundreds of poems and thousands of critical articles.

death of one of its greatest writ-ers, said President François Mitterrand. "The magic of his poetry and the force of his work put him in the first rank of our national literature. I bow before his memory. Mr. Aragon a member of the Legion of Honor.

the French Communist Party, and the party's leader, Georges Mar-chais, said: "I can't find words to express the immense pain that grips me. I have lost a close friend, our party one of its best members and France one of the greatest po-

often obscured by the punner ug-ure, who took center stage in many of the key literary and political events of his time. Dandily dressed, handsome and articulate, he displayed - and capitalized on

- a Gallic flair that compelled at-Mr. Aragon's ability to create an emotional impact was especially marked when he read his poetry, for he was unexcelled at conveying the lyricism and inner voices of his

His rebellion against the conventions of French bourgeois society sprang from disillusions that started with World War I. His commitment to communism was a development of earlier attitudes, and was contained, moreover, in a framework of vigorous national-ism. It was in this spirit, be said, that he opposed Soviet intervention in Czechoslovakia in 1968 and was punished at the time by Mos-

The punishment took the form of a han on Lettres Françaises, an influential literary and artistic weekly that Mr. Aragon had edited since 1953. After he wrote an editorial warning against muzzling Czechoslovak intellectuals, circulation of the publication was barred in the Soviet Union and Czechoslovakia. It was a serious blow, and the magazine ceased publication in 1972

The Soviet Union, however, held out an olive branch to Mr. Aragon,

role in "strengthening French-So-viet relations of friendship."

In 1957, in a period of unflinch-ing support for Stalin, Mr. Aragon was awarded the Lenin Peace Prize. Formally, the award was in recognition of his poem "Ode to

In 1980, Mr. Aragon supported the pro-Moscow position of the French Communist Party after the Soviet intervention in Afghanistan. and he participated last spring in what was essentially an anti-American peace march through the streets of Paris.

American readers were familiar with his novels through transla-tions by, among nthers, Haakon Chevalier, Hannah Josephson and Eithene Wilkins. These included the acclaimed The Bells of "Residential Quarters, "The Century Was Young." "Au-relian" and "Holy Week." Less well received was "Henri Matisse: A Novel," more an act of homage

than a work of fiction. The son of a civil servant whose ancestors were from southern France, Louis Aragon was born in Paris on Oct. 3, 1897. He was reared in comfortable circumstances and went to medical school, but he was detoured from a degree by his passion for hterature. In World War I, Mr. Aragon

won the Croix de Guerre for valor. After the war, he continued his medical education while helping to edit a periodical founded by Paul Valery, the poet. He was quickly swept up by Dadaism, a nibilist ar-tistic and literary philosophy.

The brief flare of Dadaism shortly gave way to the intellectual challenge of Surrealism, and Mr. Aragon became a Surrealist. The movement, also anti-bourgeois, was strongly infinenced by psy-choanalysis and advocated reliance on the subconscious mind and creating from a state of psychie anto-marism.

Although Surrealism had a profound effect on art, its influence on literature was more limited. Its concept of "war" on bourgeois society, nonetheless, led a number of Surrealists to Mandam, among them Mr. Aragon. He later described his 15-year Surrealist period as "an error of youth."
A visit to the Soviet Union in

1930 was a turning point in his life. He was impressed by the work of

Stalin and became one of the first

ISLAMABAD, Pakistan (AP) — Jamal Dar, 74, Pakistan's minis-ter for Kashmir and the Northern Areas, died here Saturday after having a heart attack while giving a speech, doctors said.

Mr. Dar, a retired major general

in the Pakistani Army, was ap-pointed minister for Kashmir and the Northern Areas in March 1981. He had held the same post from 1973 to 1976. He was elected French intellectuals to support the lo the National Assembly in De-

cember 1970 and held the seat for Other deaths. Mufti Ziauddin ibn Ishan Babak-

han, 74, a Moslem theologian and longtime head of the Moslem The writer was strongly influ-enced by the Soviet poet Vladimir Board of Central Asia and Kaza-Mayakovsky, whose declamatory style infuses much of "Le Front khstan, Wednesday in Moscow. He had been an organizer and par-Rouge," and by the Russian-born Elsa Triolet, a writer and the sis-ter-in-law of Mayakovsky. ticipant in many religious and Jack Pearl, 88, a radio and stag She and Mr. Aragon met in 1928 and later martied. Until her death in 1970, they were one of France's best-known literary couples.

In World War II, Mr. Aragon repeat in Belging at Dunk.

comedian, Saturday in New York. He was known in the 1930s for his lampooning of the widely read adventure tales of Baron Munch-

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Mr. Aragon was not only an homme de lettres, in the French phrase, but also an homme engage, a man deeply committed to and in-volved in his times. He was a member of the Central Committee of

ets of the century."

There was a private Mr. Aragon,

Controversy Continues Unabated On England's 'Bridge to Nowhere' New York Times Service HULL, England — Some said the Humber Bridge would be a "bridge to nowhere." But only the said the Humber Bridge would be a "bridge to nowhere."

But others saw the world's longest single-span suspension bridge as a magnet for new industry, linking the city of Hull to virtually undeveloped country across the Humber River to the

Since its opening in June 1981, the Humber Bridge, which has a center span of 4,626 feet (1,400 meters), has remained controver-Erie W. Evans, an economist at the University of Hull, says that the bridge is losing £43,000 (\$69,000) a day. "The total indebtedness is rising, as a result of that, by about £20 million a year. The levels of traffic this year are even lower than last year, and I'm

afraid that economically it's a disaster." Malcolm Stockwell, the bridge master in charge of daily operations, said 12,000 vehicles a day rolled across the bridge the summer it opened but that the average had declined to 7,500 vehicles.

"We're losing money hand over fist," he acknowledged, but "we're quite optimistic about the future."

good neighborly relations between our countries" to ensure world not send a delegation to last week's peace, the message said. sent to Moscow. "Both countries must undertake 60th anniversary of the Soviet Un- the practical actions to remove the ohstacles [to normalization] through consultations, exerting the joint efforts to carry out this aim," its Saturday edition, which was filled with congratulatory state members of the State Council and

the Standing Committee of the National People's Congress, which constitute the Beijing leadership, and appeared on Izvestia's back page alongside congratulations from the leaders of Greece and the "China sincerely hopes for the African state of Cape Vetde.

On Wednesday, China sent a

sary, but no Chinese officials were On Sept. 30, the Soviet leadership sent a warm congratulatory

identify the other eight bodies. Most reports spoke of four to six

foreigners on the domestie flight

from the northwestern city of Lan-

The agency quoted CAAC's Beijing headquarters as saying 20

persons were hurt, most of them

not seriously, but an airline official

in Guangzhou said 30 had been in-

jured. Among them were Mr. Konheim's wife, Jeanette; a Japa-

nese man; and two Hong Kong

plane's cargo bay, engines and fuel tanks had survived the fire intact,

the agency said, indicating the

blaze was confined to the passen-

An initial check showed the

zhou to Guangzhou.

residents.

message to Beijing marking the 33d anniversary of the People's Republic of China. Chinese-Soviet relations have been strained for two decades because of territorial and ideological disputes. The late Soviet leader, Leonid I. Brezhnev, made several overtures this spring to the Chinese, and low-level talks on nor-

malizing relations have been held, with follow-up talks expected early w-up talks expected early in 1983. China is demanding the Soviet gradual implementation of nor- On Wednesday, China sent a China is demanding the Soviet malization and establishment of delegation to the Soviet Embassy Union withdraw some of its troops

China Congratulates Soviet on Anniversary Mongolia and Afghanistan as a condition for normalizing ties.

> Mr. Brezhnev's successor as Communist Party leader, Yuri V. Andropov, has stated he wants riendly ties with China. Foreign Minister Andrei A. Gromyko said in an article this month that the Kremlin is "ready to do and is doing everything" for better rela-

Vadim Zagladin, deputy chief of the Communist Party's internathe resumption of normalization talks was one of the most positive developments for the Soviet Union for chronic arthritis and an ear in-

Communist Party. One of his po-ems of this period was "Le Front Rouge" ("The Red Front"), parts of which were translated into Eng-

served in Belgium and at Dunk-erque, for which he received a sec-

ond Croix de Guerre. When France fell to the Germans, he

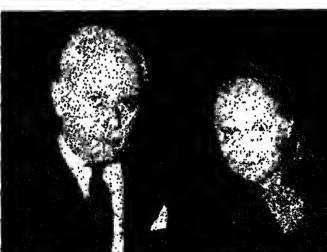
joined the Resistance in the south,

becoming its champion and propa-

gandist.
Two of his postwar novels, "Holy Week" and "To Be Killed," were considered among his best.
The first covers the chaotic flight from Paris of Louis XVIII during the week of March 19, 1815, when Napoleon's return to power was all but accomplished. The counterpoint of loyalty and treason, reviewers said, gave the

treason, reviewers said, gave the novel richness and pageantry. "To Be Killed," published in 1965, was a poetic novel of love and jealousy.

lish by E.E. Cummings.



Louis Aragon and his wife, Elsa Triolet, who died in 1970.

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INVESTOR NOTEBOOK

By FRED R. BLEAKLEY

Professionals on Wall Street Believe Bull Run Will Persist

This is first in a series of three articles about the outlook for stocks in 1983. The remaining articles will look at the London and Tokyo stock

TEW YORK — To most Americans, the stock market's record raily in late summer and early fall in the face of dour economic news stretched the bounds of reason, seeming like a chapter out of "Extraordinary Popular Delusions and the Madness of Crowds," a book published in 1841 that chronicled such investment frenzies as the South Sea Bubble

Ind Tulipomania.

Not only was the economy recing from one of the worst recessions ever, but the recovery that finally was in the offing looked to be more insipid than robust.

To the professional money men who stoked the fastest one-day price advances in the busiest trading days ever, however, the built market is based on reality and will endure. They see no reason why it should not at

going to be a lot of

buyout offers.'

least match the average 65 pernion of previous major market fromps since World War II.

At the same time, these insti-factional investors and the Wall With the easing of interest rates, there are

Streeters who advise them say they fully expect there could be more than a few successive trading sessions with declining pric-

ing sessions with decining prices that might seem at first to prove the folly of it all. But such profit-taking and cooling-off periods are inevitable and only temporary, they say.

What is coming into play, it is argued, are major changes in the investment landscape that make the buying and holding of common stocks more attractive. For one thing, there is the likelihood of an economic appure, allow one. And whenever that has occurred in the post-Depression era, according to William Freund, chief economist at the New York Stock Exchange, the market has sensed it at least three

months in autonice.

Stocks respond favorably to the likelihood of an upturn because "what really matters," Mr. Freund said, "are future earnings — you can't get your hands on book value," a company's liquidation value. He defined the price of a stock as the "present value of its anticipated future earn-

Stocks, of course, are a way for the public to share in the growth of bredieling is through price apreciation of shares as the market places an increasingly higher value on the company's strength and potential. Unlike bonds, which have a stated value at maturity and can only gain in price when interest rates decline, there is unlimited upside potential in stocks, provided earnings continue to grow and the market has not run ahead of

Lately, the twin blessings of lower interest rates and lower inflatinn have contributed even more to the bullish fervor than immediate economic prospects. When Treasury bills were at 131/2 percent and 90-day in obtain certificates of deposit were above 15 percent in February, investments in Of Willish meted last summer, the historical compound rate of return from stocks

meter last summer, the historical compound rate of return from stocks dividends plus price appreciation — of around 9 percent annually a recorded over the last 20 years began to look more appealing. The decline in short-term rates recently to the 7-percent range makes the return above the inflation rate materials. the extra risk of owning stocks, investment strategists say.

the extra risk of owning stocks, investment strategists say.

The case for owning long-term bonds over equities has also weakened because of the decline in rates and the sizable rally in prices. The summer-trough price of 97. Recently, it was trading at 127.

Asserting that much of the rally in bond prices is over, Goldman said that its monthly strategy report in late October, "We believe equity returns will exceed bond returns over the next 12 to 15 months."

Goldman said that its model portfolio for private pension funds would be moving by year-end to be 65 percent in equities, 30 percent in bonds and 5 percent in-cash. Before that rhange, the recommended weighting was 55 percent equities, 40 percent bonds and 5 percent cash.

was 55 percent equities, 40 percent bonds and 5 percent cash.

For the longer haul, stocks are benefiting from the decline in inflation and the expectation that it will stay lower. When inflation was in double ive. This led investment advisers to wealthy individuals to recommend a strategic shift from the so-caled paper, or intangible, assets, such as stocks and bonds, in tangible, real assets, such as real estate and collectibles, whose value would at least keep pace with inflation.

Now, the bloom is off the tangible asset rose because of declining indicates. Thus investment advisers are recommending a shift into finanoue tage of termin it

i malitaris inflation. Thus, investment advisers are recommending a shift into finan-(Configued on Page 8, Col. 5)

By Barnaby J. Feder

New York Times Service

NEWPORT, Wales — First came the rumors. Then, last Mon-

gor. British Steel's hard-boiled charman, and a challenge to Christmas spirit here in the south Wales city of 135,000 that is the home of the huge Llanwarn works.

People here do not want to see

Scottish steelworkers lose their jobs, but fear is widespread that the successful defense of Raven-

scraig means more jnb cuts at

Llanwern next year and may in the

long run undermine Llanwern's

That struggle has produced dra-

matic productivity gains at the price of cutting the work force from a 1973 peak of 9,800 to 4,137,

own struggle to survive.

day, the British government con-firmed that it would preserve Ra-venscraig, British Steel's only inte-

grated steel mill in Scotland. The decision was contrary to the recommendation of Ian MacGre-

Christmas Spirit Belies Anxiety

Over Future of Welsh Steel Mill

including a recently announced reduction of 350.

Llanwern's central engineering shop, said, "We're worried," as be

sat in front of the Christmas tree

in the card-bedocked, present-la-den living room of his fiancée's parents. "Sharon and I are getting married in March, we just bought a house, and I can't be sure that I

It is not just the well-publicized woes of British Steel, which is los-ing \$12.8 million to \$14.4 million a

week. In pubs and in breaks from last-minute shopping, the Welsh quickly acknowledge that other Western steelmakers are also being design to the public steel the public steel to the publ

driven to the wall by worldwide economic recession and growing

The Rev. Ray Taylor, an indus-trial chaplain who has been a fa-

miliar sight around the plant since it was built in the early 1960s, said, "Llanwern has been cowed."

competition from abroad.

won't be made redundant."

Alan Brittan, 23, an employee in

Japanese Trade Plan Is Rescued

Compiled by Our Staff From Dispatches
TOKYO — A Christmas package designed to appease Japan's
trading partners almost came unraveled during the weekend before
the government reached a compromise with the farm lobby.

After announcing last week a plan to reduce tariffs on more than 70 products, the government on Friday removed from the list three key items - tobacco, chocolate biscuits — under pressure from farm advocates in the ruling Liberal Democratic Party. The three items were reinstated Saturday only after the government promised help for Japanese com-panies hurt by increased competition from imported goods.

The government promised in-creased aid for 100,000 tobacco growers and a sharp reduction in the tax on sugar used for chocolate

The tariff on tobacco is to be cent, and that on chocolates to 20 percent from 31.9 percent, the goverament said Saturday. Biscuit tar-iffs are to be reduced to between 20 and 24 percent from between 31.9 and 36.3 percent.

In addition, tariffs are to be reduced an average of 10 percentage points on 47 agricultural products including dried grapes, papaya, vegetable juices, chewing gums, canned fruits and jam, said Osamu Nariai, assistant director of the Economic Planning Agency's coordination divisinn.

Import quotas for citrus juices, not including orange juice, will be expanded from 4,300 tons a year to 5,000 tons, those for tomato ketchup sauce from 1,997 tons to 3,000 tons, tumato jince fram 481 kiloliters to 3,000 kiloliters, peanuts from 49,800 tons to 50,000 tons, fruit purce pastes from 1,360 tons to 3,000 tons, and beans other than soybeans to more than 110,000 tons.

The measures, virtually assured approval by the LDP-controlled Diet, are to go into effect next April I.

In addition to tariff cuts and quota expansion, Mr. Nariai said the government will study ways to improve distribution of imported tobacco and other means of pro-moting imports and industrial co-

Two packages of trade concessions announced earlier this year produced the fewest cars for any produced to satisfy the United States and Western Europe, and the Japanese government has been trying to push through new tariff cuts before Prime Minister Yasuhiro Nafore Prime Min kasone visits the United States in mid-January. The pressure for trade moves is a result of Japan's swelling trade surpluses. The Unit-ed States, for example, is expected to record a record trade deficit of \$19 billion with Japan for 1982.

From all appearances, Newport

and the towns in the county of Gwent for which it is the bub have taken advantage of Christmas to put aside such thoughts. Llanwern

and smaller steel works in the area

have shnt down for the bolidays in what Mr. Taylor called "the bit-tersweet bonus" that poor business

pays in family life. Stores have been crowded with shoppers.

For severance payments, many Llanwern workers receive 90 per-

cent of a year's salary, and 80 per-cent for the next six months, and workers over 55 years old immedi-ately receive pension money that would otherwise have been theirs at the age of 65.

Many Newport merchants expe-rienced a boom in business when

4,300 workers were laid off in 1980. Union leaders were able to

fill most of the redundancy slots

with workers willing to leave. For some, it was the once-in-a-lifetime

opportunity to go into business for

But there are signs the severance

payment cushion is not quite as protective as generally bealthy re-tail sales this month might indi-

Mr. Brittan said: "You won't see it much at Christmas — that's the very last thing the Welsh are

going to pull back on — but it has had an impact. Nnt many people go on holidays now and you never find anybody in the clubs during

Hope had risen last spring that

the worst was over as British Steel cut its weekly losses to £500,000 (\$797,750), regained dnmestic share and operated at more than 90 percent of its basic steel capaci-

ty of 14.4 million short tons (13 million metric tons). But the bottom fell out of domestic and export markets this summer and im-

ports rose, sending Mr. MacGregor to the government with the advice to close another major facility.

The possibility that it might be

Lianwern appeared remote at first.
Ravenseraig, near Glasgnw,
seemed the logical candidate because it was less efficient than ei-

ther Llanwern or Port Talbot, an-

other integrated Welsh plant that

But the three-month campaign

by Scottish politicians, business-men and ciergy arguing that Ra-venseraig was crucial to Scotland's industrial future convinced the

Conservanve government that

abandoning the plant was out of

also makes strip steel.

the week



Irish Jobs Strategy Is Questioned As Foreign Firms Slow Investment

By Kevin McKenna tional Herald Tribune

DUBLIN — Four years ago Polaroid, amid fanfare, launched an Irish plant in Newbridge, County Kildare. By this year it was expected to provide 1,500 jobs. But employment never got beyond 160, and last month the plant was closed.

It was not an isolated incident. After two decades of growth that changed the face of Ireland, the counhas been hit hard by the world recession. The infusion of foreign investment that fueled Ireland's boom has slowed considerably, and aspects of the country's development strategy are being called into

As a result of Ireland's development efforts, foreign electronics and pharmaceutical companies are present in substantial numbers, among them Digital Equipment, Amdahl, Apple Computer and Abbott Labora-tories. Between 1975 and 1981, American companies accounted for 62 percent of all foreign investment. Most bave been attracted by the tax meenives and grants that Ireland has offered and by the access that it affords to the European market.

About half the jobs created through the Industrial Development Authority, which oversees Ireland's incentive program, are from foreign investment, and inreign enterprises now employ about one-third of the country's manufacturing work force. In electronics

alone, there are 15,000 Irish jnbs in a field where 10

years ago there were virtually none.
But in the current world economic climate, that kind nf growth has been impossible to sustain. Irish gross national product will show a 1.5-percent decline in real terms this year, according to the Economic and Social Research Institute in Dublin, and its forecast for next year is growth of only I percent. With Ireland's labor force growing nearly twice as fast as the European Community average, the stagnation is almost certain to add to unemployment, already put at 13.5 percent by the EC.

The development authority estimates that new overseas grant-aided investment this year has fallen by one-quarter from 1981's level, to 240 million Irish pounds (\$330 million).

Peter Bacon of the Economic and Social Research Institute said: "It's a worldwide problem, so a major beneficiary of that investment can't expect gains."

Robert P. Chalker, executive director of the U.S. Chamber of Commerce in Ireland, agreed. "Anything that makes it difficult for foreign investment is going to hit Ireland harder," he said. "It's a time of caution, of slimming down. Nobody's ready for jumping off balconies, but they realize times are hard."

The results of the squeeze are apparent. Centronics, which once employed 320 in its Drogheda factory (Continued on Page 8, Col. 6)

Mexico's Alfa Plans Sale of Most Units To Pay Off Debts

New York Times Service

MEXICO CTTY - The Alfa Industrial Group, Mexico's largest conglomerate, has prinposed divesting itself of all but a handful of its more than 50 subsidiaries as the only way of resuming payments on its \$2.3 billion of foreign

The proposal was drawn up by Alfa's financial advisers, Lehman Brothers Kuhn Loeb of New York, and presented to the corporation's 134 private foreign creditors at a meeting in Hnuston on Dec. 15, banking officials report.

Initial reactions are expected when Alfa's management meets again with foreign bankers in Houston on Jan. 20. "But don't expect any quick solution." one banker warned. "This could take six months or more to sort out."

Much would appear to depend on Alfa's ability to find buyers for many faltering subsidiaries, and on the government's willingness to re-lax foreign investment rules to permit multinational corporations to acquire more than the 49 percent of the shares in these companies now permitted.

Nn less important, however, is creditor response to the complicated arrangements. "The complexity of the solution reflects the complexity of the problem," said one American banker, who asked not to be identified. "It's no secret that Alfa's internal finances were a

The Mnnterrey-based conglom-erate, which enjuyed a long period of expansion, diversification and profits before its financial crisis developed in mid-1981, has been unable to repay principal on its debt since last April. In August, interest payments by most of its subsidiaries were also suspended, pending announcement of a restructuring of the conglomerate.

This year's production restraint will fatten next year's earnings re-ports, industry analysts said. Har-

vey Heinbach, an analyst with

Merrill Lynch, said in a recent re-

port on the automotive industry:

"Reflecting an absence of this year's inventory drop, domestic auto production should rise sub-

stantially from the depressed 1982

level. At that point, the effect of

the industry's cost-cutting efforts should become fully apparent in

The so-called liquidating trust plan is built around the idea of saving a "core group" of profitable subsidiaries consisting of the Hylsa steel company and the Petrocel, Polioles, Nylon de Mexico and Fi-qusa petrochemical companies, which would be reorganized into a

new Alfa holding company. At the same time, another holding company, Zeta, would assume responsibility for managing the ro-maining subsidiaries over five years until they could be sold. These companies are involved in paper and packing, food processing, real estate and electrical

Under the proposal, all compa-nies would remain responsible for direct credits they received, while loans guaranteed by Alfa would be taken over and divided between "new" Alfa and Zeta. In theory, new Alfa's companies could there-fore help repay some of the money owed by Zeta subsidiaries. Lehman Brothers also suggested that Alfa's debt to the Mexican

government, principally a \$245-million loan from the state Public Works Bank early this year, be similarly divided between new Alfa and Zeta.

Foreign bankers see a number of difficulties with the proposal. Bankers with direct credits to Hylsa, for example, are not happy at the prospect that some of the company's dividends would be used to cover loans to Zeta subsidiaries, loans that had been guaranteed by the original Alfa holding company.

■ IMF Loan Approved

The International Monetary Fund, as expected, has given final approval for a \$3.9-billion loan to Mexico and said \$2 billion of new trade credits had been arranged from 10 industrial nations, The New York Times reported from

The loan by the 146-nation fund is the centerpiece of a financial rescue operation intended to provide Mexico with enough cash to make foreign payments, including those on its \$85-billion foreign debt, one of the highest in the world.

The credit agreement requires Mexico to impose sharp curbacks in public spending and reductions in a variety of government services to make more funds available for

foreign debt repayment.

The IMF said that \$7 billion of net new financing, aside from the IMF loan, would be required by Mexico to insure that its adjustment program was adequately fi-nanced. Of this, \$5 billion is expected to come from commercial banks and \$2 billion from about 10 countries in the form of trade

American officials said the trade credits would be tied directly to purchases by Mexico of food and industrial goods from the creditor countries, which include most of the leading industrial nations and

An American official said the

"burden sharing had not yet been worked nut" among the participat-ing countries, but the IMF said it had received "authoritative assurances" that the \$2 billion would be available. In past loans made by the Group of 10 industrial nations, the United States generally has taken about a 20 percent share.

Low U.S. Auto Output Likely to Aid '83 Profits

Funds Into Securities

By John Holusha New York Times Service

DETROIT - When the assembly lines of the five U.S. automakers halted on Thursday for the customary year-end break, they had produced the fewest cars for any

ensure that 1983 will be a better year for the automakers. That is because low inventories increase the chance of order rises next year. and higher orders have a quick imsales this year will fall to 5.7 million units for the U.S. producers from 6.2 million in 1981, the production drop was much steeper. Manufacturers held to lean production schedules and resisted the temptation to increase output sharply whenever sales showed a slight upturn, as they have in the

past eight weeks. The result of this production reyear with the lowest inventory level in many years. At the end of November, the domestic new-car inventory stood at 1.1 million units, the lowest in 12 years. Based aet on earnings.

Although analysts estimate that on current selling rates, that means that dealers had a 52-day supply of

By Michael Quint

New York Times Service

NEW YORK — Large banks in

New York are compensating for
declining demand for business

leans by increasing their purchases

of securities, according to data re-leased by the Federal Reserve Bank of New York.

For the week ended Dec. 15, the 10 large New York City banks had a \$291-million drno in their loans to businesses, to \$61.03 billion.

Such loans rose by more than \$6

billion in the first nine months of

this year. But since Oct. 6, the level

of business loans outstanding has

U.S. CREDIT MARKETS

fallen hy nearly \$1.7 billion, large-

ly as a result of the recession. Short-term borrowings have also been reduced as husinesses bor-

rowed more in the long-term bond

been growing slowly, and the large New York City banks have also in-creased their securities invest-

ments, the Fed reported Friday.

In the latest week, their holdings of Treasury securities rose only \$5 million to \$8.661 billion, but since

midyear such investments have been growing rapidly. In the first six months of the year, Treasury investments fell almost \$875 mil-lion, but as interest rates fell and

prices rose for debt securities

these investments grew by \$2.63

Investments in tax-exempt secu rities issued by state and local gov-ernments have declined from the

While loans to businesses have declined, loans to individuals and loans secured by real estate have cars, well below the 70-day supply

GM dealers had the lowest stocks with a 47-day supply of cars, compared to a 57-day supply for Ford and 69 days for Chrysler. according to Ward's Automotive Reports, an industry publication. Industry sources estimate that

stocks at year-end will be somewhat higher, at 1.2 million cars. million cars on hand, so dealers will have reduced their inventories by 270,000 cars during the year, despite the low level of sales. Many dealers, hit by the cost of financing inventories, have refused to stock as many cars.

U.S. Consumer Rates for Week Ended Dec. 24

"All Sovers" Certificates 6.49 %

6-Month Savings Certificates..... 8.77 %

total of such investments to \$10.96 billion, still \$588 million lower than at the start of the year, the

According to securities dealers, bank purchases of tax-exempts have continued to increase since Dec. 15, partly due to the banks'

need to reinvest the deposits that

are flowing into the new money market accounts. Tax-exempt

bonds have been a favored invest-

The Fed planned to release money supply figures Monday, rather than Friday as usual, be-cause of the Christmas holiday.

... 5.50 %

Passbook Savings

Tax-Exempt Bonds

Money Market Funds

Donoghue's 7-Day Average

Home Martonge

its income statements." He said he expects GM to earn about \$2.15 billion in .1983, Ford about \$500 million and Chrysler about \$140 Production is dependent on re-tail sales, but with a delay. Manufacturers record a car as sold when it leaves the assembly plant on the Large U.S. Banks Pour way to a dealer, so an influx of dealer process means a quick rise in carnings, even if the cars are not bought by customers until weeks

nr months later.

At this point, according to Ward's, the manufacturers' production schedules call for 1,445,000 cars to be assembled domestically in the first quarter, up 21 percent from the fourth quarter of 1982.

CURRENCY RATES

Interbank exchange rates for Dec. 23, excluding bank service charges. D.M. F.F. B.L.
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19.573 4.91 3.3922 1.524 1.724 x
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8.401 29.65 0.1456
2.3037 6.5324 1.529.25
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Heny Koon s
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(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of IGG. (x) Units of 1,000.

Banque Bruxelles Lambert S.A. Bank Brussel Lambert N.V.

For the financial year ending on 30 September 1982, consolidated figures show a balance sheet total of BF 1,056.6 billion (+14.3%). Gross profit before taxes, depreciation and provisions amounted to BF 5,957 million (+ 25.7%), and net profit to BF 1,420 million

Before distribution of profits, the level of shareholders' equity is BF 23,427 million (+ 14.0%).

It is proposed to distribute a net dividend of BF 90, as compared with BF 70 paid for the previous financial year.

The structure of shareholdings in the bank has recently undergone major modification. Leading institutional investors, both from Belgium and abroad, have taken up shares made available by the reduction in the shareholding held by Groupe Bruxelles Lambert S.A.

These institutional investors include Winterthur, A.G., Royale Belge, Assubel, Urbaine UAP, and the Merchant Navy Officers' Pension Fund.

The Board of Directors, at the beginning of February 1983, will propose to the Annual General Meeting of Shareholders a capital increase of some BF 2 billion.



Yan MacGregor

the question politically. Indeed, facing up to the likelihood of an election next autumn, Patrick Jenkin, the industry secretary, an-nounced that none of British Steel's integrated plants would be

He pledged more government fi-nancial support and extended Brit-ish Steel's deadline to break even financially until March 1985.

However, no one is assuming that the implicit promise to maintain all five plants for three years will be honored much past the election. Llanwern union leaders, who joined in the campaign to keep Ravenscraig, are now inbuy-ing more intensively than ever for a \$100-million capital investment in a continuous caster, which would eliminate the need to make

steel ingots before casting slabs. Energy now accounts for about 30 percent of Llanwern's costs, almost double the labor component. according to the unions. Port Tal-bot and Ravenscraig have continu-ous casters already, an advantage that looks ominous to Llanwern

A.D.G. Williams, a union leader for process workers, said: "All I want for Christmas is the caster. We've made tremendous strides in manning levels, labor relations and practices. We haven't done all this to see it go down the drain."

levels at the end of 1981, but in recent weeks have shown signs of increasing. In the latest week the New York City banks added \$120 million to their investment portfolios of tax-exempts to bring the

U.S.\$ 5,000,000 FEDERATIVE REPUBLIC OF BRAZIL Floating Rate Bonds due 1984

Notice is hereby given that the rate of interest for the period December 24, 1982 to June 24, 1983 has been fixed at the rate of 1116% per annum.

KREDIETRANK S.A. Luxembourgeoise

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Warner Cancels Merger, Reports **Aides Sold Stock Before Price Fell**

Now York Times Service NEW YORK - Warner Communications, the diversified communications company whose stock plunged after the announcement that earnings would be lower than expected because of disappointing video game sales by its Atari subsidiary, has canceled its agreement to acquire Madison Fund, a closed-end investment company.

The announcement came a day after Steven J. Ross, chairman of Warner, disclosed that some officers and employees of Atari, including Raymond E. Kassar, chairman and chief executive, sold Warner shares just before the earnings statement that caused the share price to fall.

Warner said Friday that the acquisition agreement was canceled because the lower Warner stock price had made Madison Fund too costly to acquire through an exchange of Warner securities for Madison shares. Warner stock has dropped more than \$21 in just over two weeks and that meant increasing the number of Warner securities that would have had to be issued to complete the transaction, the company said

In a prepared statement issued shortly after 5 P.M. Friday, Mr. Ross said, "Our Dec. 8 announcement that our 1982 earnings would exceed those of 1981 by only 10 to 15 percent has led to a decline in the price of Warner common stock and warrants that make any acquisition for Warner securities economically unrealistic and impru-

dent at this time." He added: "Madison Fund understood the problem and agreed that in the circumstances, the termination of the transaction was in

the best interest of all parties."
The Warner-Madison deal, announced on Oct. 7, called for Madison shareholders to exchange their stock for Warner debentures and for Madison to become a subsidi-

ADVERTISEMENT

SEARS HOLDINGS PLC

The undersigned announces that as from January 5, 1983 at Kas-Associatic N.V., January 5, 1983 at Nas-Associate N.V., Spuistraat 172. Amsterdam, div. ep. nº 15 of the CDRs Sears Holdings PLC, each repr. 100 shares, will be payable with Dlis. 2,82 (re interim dividend for the year ending January 31. 1983) -,70 p. per share. Tax credit £,30 = Dlls. 1,31 per CDR.
Non-residents of the United Kingdom can only admit the transfer.

only claim this tax credit when the relevant tax treaty meets this facility.

> AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, December 20, 1982.

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MITSUI ENGINEERING & SHIPBUILDING CO. LTD.

The undersigned announces that as from January 3, 1983 at Kas-Associatic N.V., Spoistraat 172 Amsterdam, div.cp.mo. 15 accompanied by an "Affidavit") of the CDRs Mitson! Engineering & Shipbuilding Co., Ltd., each reps. 100 shares, will be payable with Dls. 2.28 net (div. per record-date 30.9.1982; gross Yen 2.5 p. sk.) after deduction of 15% Japanese tax = Yen 37.50 = Dfls. .41 per CDR. Without an Affidavit 20% Japanese tax (= Yen 50. = Dfls. .55 per CDR) will be deducted.

After 30.4.1983 the div. will only be paid under deduction of 20% Jap. 12x with Dis. 2.14 net, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V. December 20, 1982.

ary of Warner. The plan was for Warner then to sell off Madison's stock portfolio, valued at about \$380 million, thereby "buying liquid assets with long-term deht" in the form of Warner securities, according to Geoffrey W. Holmes, Warner's vice president for inves-

Madison stockholders, in turn, would have received what Warner said was full net asset value of \$23.60 a share for their holdings. Madison Fund closed on Thursday on the New York Stock Exchange at \$22.25 a share.

tor relations.

As originally structured, each Madison share would be exchanged for a newly created Warner debenture due in 2007 carrying a 10-percent coupon and a newly created Warner warrant, or right, entitling the holder to acquire one-fifth of a Warner com-mon share at \$55 a share, roughly the value of Warner stock when the deal was announced. A definitive acquisition agreement containing these terms was announced on

However, after the Dec. 8 earnings announcement, as Warner's stock fell, the terms of the accord were revised. The interest rate on the debenture was increased to 101/a percent and the warrant was revised to entitle the holder to one-fourth of a share of Warner com-

mon instead of one-fifth.

The Madison Fund office in New York was closed when the Warner announcement was made and Madison officials could not be reached. The Madison Fund was a major investor in AM Internation-

Saudi Gas Sales to Japan

TOKYO — Nearly 20 Japanese oil refiners and trading houses have concluded new five-year con-tracts with Petromin, Saudi Arabia's state oil company, to import a combined total of about three million metric tons of liquefied petroleum gas a year starting next month, industry sources said Fri-

16.40 17.92 7.46 6.15 2.91 3.18 11.16 12.03 11.00 12.02 9.90 10.02 9.21 9.67 18.41 NL

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NEW YORK JAP)-The following quoto

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al, the office equipment and elec-tronics company now in bankrupt-cy proceedings. In November last year, before the bankruptcy, Madison sold its 16 percent AM stake at a loss of \$20 million.

Mr. Hohnes said that "when we originally did the deal with Madison, it was to be done as an attractive alternative form of financing." He added, "But it became not an attractive way to raise capital."

Information about the sales of Warner shares came to light during an independent audit that Mr. Ross ordered after making the Dec. 8 earnings announcement, he said late Thursday.

He said that at his instructions. representatives of Warner and Atari met in Washington with the Securities and Exchange Commis-sion and disclosed the information concerning the insider stock trading. In Washington, the SEC, in a statement, said, "The commission as a matter of policy does not comment on what may or may not be the subject of an investigation."

Mr. Ross said the results of the audit would be turned over to the

He said that Mr. Kassar had in-formed him that he had sold 5,000 shares of Warner's stock on Dec. 8, the day of the earnings an-nouncement, and that Dennis D. Groth, executive vice president of Atari, had sold 6,376 shares of Warner's common on Dec. 1.

In a statement from Atari's headquarters in Sunnyvale, Califormia, Mr. Kassar said that his sale was made as "part of his year-end tax planning and has been the subject of discussions with his broker and tax adviser."

Mr. Kassar said the discussions occurred substantially before Warner's announcement on Dec. 8. He said he had given instructions to cancel the sale after the announcement

Mr. Groth said be has advised Warner that his transactions in the Warner stock were "not effected on the basis of inside informa-

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Ruling in U.S. Casts Doubt on **Bankruptcies**

WASHINGTON - The Supreme Court has refused to extend the Dec. 24 deadline it gave Congress for restructuring the U.S. bankruptcy courts.

With Congress out of ses-sion, the court's action casts doubt on the ability of the court system to handle corporate and personal bankruptcies.

Without comment, the court turned down Thursday a lastminute appeal by the Justice Department to give Congress another three months to bring the bankruptcy system into compliance with a Supreme Court decision of last June that the 220 bankruptcy judges could not constitutionally exercise the broad powers Congress had granted them when it revised the bankruptcy laws in

Federal judicial districts already had adopted a "model rule" authorized by the Judicial Conference of the United States as a way of handling bankruptcy cases if the deadline passed without congres-sional action. Under that rule, the district judges will essentially assume the bankruptcy jurisdiction that the Supreme Court said could not constitutionally be exercised by the bankruptcy

udges. But many bankruptcy experts say that the system will be cumbersome at best, with over-burdened district judges unable to give bankrupt companies the prompt attention that can make the difference between reorgan-

Japan Vehicle Exports Fall

TOKYO — Japan's vehicle exports last month fell 7 percent from a year earlier to 434,600, the 16th consecutive monthly decline, the Japan Automobile Manufacturers Association said Friday.

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Mutual Funds

10.88 11.51 11.83 14.63 11.91 12.40 6.25 7.14 9.45 9.84 12.28 13.97 1.46 NL 11.27 12.15

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Wall Street Money Men Say Rally Will Persist

(Continued from Page 7) cial assets, which usually rise when inflation is falling or stable.

With financial, or paper, assets, back in vogue, there is the poten-tial for a sizable expansion in the multiple at which a stock trades over its earnings per share. After trading at 18 times the previous year's earnings around 1970, the Standard & Poor's index of 500 stocks has only lately been approaching double digits once again. There is a large amount of catching-up, partly because the price of stocks in general has not advanced in the last decade while corporate emings have continued to grow,

Also, on a historic basis, price/earnings multiples increase when the inflation rate declines, noted Edward Kerschner and Charles Pradilla, investment stra-tegists for Paine, Webber, Mitchell Hutchins, in a report to clients last month. As of Nov. 1, the S&P 400 index carried a multiple of 8.1 times expected earnings for the next 12 months, they said. By their calculation, that multiple reflected an expected 8%-percent inflation rate, rather than one several points lower, which most economists, including Paine Webber's, expect for 1983. And as Mr. Kirschner and Mr. Pradilla told clients, "If the market were priced reflecting a 5½-percent inflation rate, the normal multiple would be almost dou-

ble today's levels."

But where will the sun shine the brightest if there is to be a pro-longed bull market? Many inves-tors might be tempted to load up on small company stocks. Between 1975 and 1981, the bottom 20 percent of New York Stock Exchangelisted stocks, in terms of market capitalization, performed 2½ times as well as the S&P 500 Index, according to Steven Einhorn, vice chairman of the investment com-

mittee at Goldman Sachs. But that may not be the case this time around, he added. Before 1975, small stocks had been beaten down more than large stocks and looked cheap by comparison. Now

12,87 NL 54,17 NL 12,19 NL 11,54 NL 14,94 NL 7,56 NL

EBA 8.27 4.47 7.09 7.45 10.55 8.92 9.75

BAT NL 1854 NL

15.57 16.34 15.57 16.34 18.58 19.56 18.73 19.77 17.85 12.56 15.41 16.22 6.97 NL 12.10 NL

851 NL 11.28 12.33 14.51 NL

they are closer, Mr. Einhorn said. Also, several years ago institutions were looking to diversify away from the so-called Nifty Fifty growth stocks. That portfolio rebalancing has now taken place and the institutions are better diversified, Mr. Einhorn observed. Nonetheless, in the second phase of a hull market that some observers

say may be imminent, the smaller,

more speculative names usually get

caught up in the rush of enthusi-What is more, according to Steven Leuthold of the Leuthold Group, an independent research firm associated with Lynch, Jones & Ryan, New York, the small-stock sector of the market is rife with takeover candidates. "With the easing of interest rates," he said, "there are going to be a lot of

buyout offers." increasingly, though, a debate is growing over the timing and size of corporate earnings rebounds. Many professional investors are sticking with consumer-oriented companies in the so-called nondurable areas such as food, soft drinks and retail, whose stocks performed well before the August rally began. Others expect corporate earnings in general to rebound faster than

Harold Ehrlich, chairman of Bernstein-Macaulay, the money manngement arm Shearson/American Express. one. Among companies whose carnings he believes will surprise investors are large oil concerns with big natural gas components, such as Standard Oil (Indiana), Superior Oil and Phillips Petrole-

Mr. Einborn of Goldman, Sachs said his firm is de-emphasizing defensive stocks not senstive to economic shifts. Such stocks are mainly found in the consumer nondurable and consumer services sectors. Instead, the firm favors consumer cyclical stocks in sectors such as building materials, home building, railroads, airlines and au-

The inevitability of a corporate earnings recovery, whenever it oc-curs, has prompted many investment strategists to conclude that, despite the surge in stock prices al-ready seen, "the bulk of the hull market move is ahead of us," as Painc Webber's chief investment officer, Ronald Glantz, told customers via a live transmission seminar to all offices Nov. 10, He added that he would not be surprised to see the Dow Jones industrial average advance 70 percent more by

the end of 1984.
Almost as bullish is Mr. Einhorn of Goldman Sachs. He expects the Dow to hit 1.175 to 1.200 by the end of next year and rise as much as 10 percent more in 1984. The New York Times

French Current Account

PARIS - France's seasonally adjusted current account deficit narrowed to 24.03 billion francs (\$3.53 billion) in the third quarter from 27.90 billion in the second, but was above the deficit of 7.87 billion in the third quarter of 1981. the government said Friday.

BUSINESS BRIEFS

Barclays Asia Ends Plan to Put Property Firm in Receivership

HONG KONG (Reuters) - Barclays Asia Ltd. announced Friday that it has abandoned an effort to have a receiver appointed for Eda Investments Ltd., a property company squeezed by the drop in real estate

Barclays said it was seeking urgent talks with other major lenders to the group, which is controlled by C.M. Chung and his family and is renegotiating repayment of 1.4 hillion Hong Kong dollars (\$215 million) owed to 23 banks.

Barclays said it had been prepared to apply to Hong Kong's high court to proceed with a form of receivership provided it had sufficient support from other lenders. The bank said it did not seek to continue the

receivership it had initiated at the other lenders' request because it felt the support, though significant, was inadequate.

The receiver told a hearing before a high court judge Thursday that he

"had been able to locate and arrange for subsequent payment into court of a substantial sum of money belonging to the company," Barclays said.

French Bank to Offer Euronotes

LONDON (Combined Dispatches) — Banque Française du Commerce Extérieur is raising \$500 million with a five-year floating rate Euronoles, Crédit Suisse First Boston announced Friday.

Guaranteed by France, the notes are to pay a margin of 4 percentage point over the mean of the bid and offered rates for six-month London Eurodollar deposits. The expected payment date is Jan. 31. Credit Suisse and Société Générale are the lead managers.

Earlier last week, Commerzbank announced a \$100-million, sevenyear Eurobond issue to be used as part of an interest-rate swap with a second party, which was not identified. The part-paid bond, which is non-callable, carries an 1112-percent coupon and par pricing. Investors will have to pay 20 percent of the price around Jan. 19 and the remainder about six months later.

U.S. Money Funds Suffer Record Fall:

NEW YORK (NYT) — Total assets of U.S. money market minial funds dropped by \$8.3 billion, a record, in the week ended Wednesday, the Investment Company Institute said.

That brought the decline in money fund assets since the start of December to \$14.8 billion, or 6.4 percent of the \$232.3 billion outstanding at the beginning of the month. Although a portion of the slump is traceable to normal holiday spending, the larger part reflects the intense competition for savings that has developed since the government allowed banks and thrift institutions to begin offering accounts that have no ceilings on the interest rates they pay, permit easy withdrawal and carry federal deposit insurance.

Money market accounts have been available at the banks since Dec 14 and the Investment Institute report on Thursday, because it covered the first full week of their existence, was the first indication of their ability to draw money from the money market mutual funds.

Japan Sees Economic Growth Rising

TOKYO (Reuters) - The Japanese economy is officially forecast to grow by 3.4 percent in the financial year beginning next April 1, compared with a revised 3.1 percent in the current year, the Economic Planning Agency said Friday.

Agency officials said the projection was contained in an EPA-drafted economic outlook for 1983 approved by the Japanese cabinet. The agency's director-general, Jun Shiozaki, said the Japanese economy would show considerable recovery from the latter half of the new fiscal year and was likely to achieve a growth rate of 3.4 percent in the following fiscal year as well

The agency also forecast a trade surplus of about \$20 billion, compared with about \$19 billion in the current year, Inflation was projected at 3.3 percent, against an expected 2.7 percent.

Company Notes

FL PASO CO. said Thursday that a U.S. court granted it a temporary restraining order stopping Burlington Northern from proceeding with a tender offer of \$24 a share for 50,7 percent of El Paso. The order is pending a hearing scheduled for Dec. 30.

MITSUBISHI HEAVY INDUSTRIES said Friday it has won orders

from Greek and New Zealand owners for the construction of three vessels for delivery by May 1984. It declined to disclose the contract values. CIE. FRANCAISE DES PETROLES said Friday that its Total Holdings (Australia) unit has sold its refining and distribution activities to Ampol in return for an unspecified stake in Ampol's capital. It said

Total will continue to search for and produce oil and natural gas as well

as maintain activities in developing coal and uranium deposits in Austra-AMFAC said Thursday it will show a gain of \$13.5 million, or 90 cents a share, from the sale of the Royal Lahaina Hotel at Kaanapali Beach, Maui, Hawaii. The hotel was sold by Fort Associates, composed of related entities of Amfac and the Bass family of Fort Worth, Texas, to Pleas ant Travel Service of Westlake, California.

Foreign Firms' Investment Slows in Ireland

(Continued from Page 7) making computer printers, cut 117
more jobs last month and is down
to 23. Burlington Industries has
cut its payroll to 1,700 from 2,200

at its three Irish plants. A Fieldcrest Mills joint venture in Kilken-ny closed in June, idling 600 workers, although some jobs were saved when a Belgian company took over part of the plant. Even amid the beady growth of

the 1970s, Ireland van a treadmill in employment. Emigration has historically been Ireland's answer historically been Ireland's answer to unemployment; in the last decade, however, those leaving were outnumbered by those returning home. In addition, the country has the highest birthrate in Europe. Employment, to keep up, must increase by 1.5 percent a year — about 20,000 — at a time when such traditional sectors as against the and textiles are shedding job. ture and textiles are shedding jobs. The answer, it was felt, lay pri-

marily in attracting foreign invest-ment. To that end, the development authority, armed with cash grants averaging 30 percent of cap-ital spending, bullishly recruited investment. This year, it is paying out 147 million pounds in grants to foreign and domestic enterpris-es, and it has made grant commitments totaling 200 million pounds
— down from 290 million last year — for new projects. Such grants have averaged about 7,000 pounds per job created; the government figures it recoups the grants in one year through tax revenues and sav-ings in social benefits.

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The authority has had remark-able success, Mr. Chalker said. "Against lots of competition for foreign investment — Portugal, Belgium, Holland, Greece — they've competed very well."

According to Bill Brosnan of the anthority's planning division, the main effect of the recession has been that "companies" plans have been not so much canceled as slowed up." The authority's fiveyear plan for 1978-82 called for 30,000 annual joh "approvals" — jobs promised at a future date against grants — and about 15,000 actually created each year. Because of the recession, Mr. Brosnan said, the number of jobs created is running about 10 percent below target; however, many of the jobs originally projected may materialize two or three years behind schedule, be said.

"Next year will probably be dif-ficult again," Mr. Brosnan said. "But once the recession eases, I think we can really take off. We feel no need for any alarm." But he added: "The strategies that worked in the 1970s might not work in the 1980s. An organization like ours has to keep examining it-Since the late 1950s, when Ire-

land abandoned a 30-year policy of economic isolation, its development strategies have been a matter of broad consensus. A study by the American consulting firm Tele observed. There is undoubtedly in Ireland a degree of common purpose regarding industrial development that is rarely found in other countries."

But the Telesis study, commissioned by Ireland's National Economic and Social Council and released earlier this year, also raised several criticisms. It found an insufficient emphasic content and insufficient emphasics of the above the content of sufficient emphasis on the ability to sustain jobs, not merely create them, and contended that most foreign companies in Ireland are not putting down deep roots, such as research and development oper-

The report called for greater de-

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velopment of skills and supply in-dustries, more emphasis on helping indigenous husinesses and on using Ireland's own resources, and increased use of loans and loan guarantees in place of outright grants.

"Ircland has been paying very handsomely for foreign invest-ment," said Frances Rnane, a lecturer in economics at Trinity College who has studied the Telesis report closely. In the future, she said, "I suspect there will be a trend away from handouts and toward solving problems that companies have once they are bere." Meanwhile, the government's fi-

nancial position is creating dark clouds on the investment horizon. As the recession set in, freland borrowed heavily to bankroll expansionary policies and now has a budget deficit of 1.2 billion pounds—about 8 percent of GNP—and total debt of 11.5 billion pounds. almost half of it foreign. The hal-ance of payments deficit this year is put at about 9 percent of GNP. The pound eased from \$2 in 1980 to \$1.30 this autumn before recovering to around \$1.38. Inflation is also a problem; it will be about 17 percent for the year.

consequently, Mr. Bacon said, "for the next two or three years at least, domestic policy will be preoccupied with reducing the deficit and reducing the borrowing requirement." There is a political consensus for such a policy, but there are few illusions that it will broduce an instant turnspround here. produce an instant turnaround. As result, Mr. Bacon said, "foreign investors are looking at Ireland with an increasingly jaundiced

Italy and Vatican Agree To Hold Bank Inquiry

ROME — Italy and the Holy Sechave signed an agreement setting up a joint commission to investigate dealings between the Vatican bank IOR and Banco Ambrosiano. the Foreign Ministry said Friday.

The ministry said the body would have the task of "establishing the truth" about dealings between the Institute for Religious Works, or IOR, and the collapsed Ambrosiano group. The Italian government has said IOR was responsible for up to \$1.2 billion of debt owed to the Milan bank by South American finance companics. The Vatican said in the past that it had no obligations out-standing but expressed readiness to cooperate with Italy to clarify

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Netherlands.

a Ends Par (co NHL and Russians Get Set for 'Friendly' Series oles in 1904 High Law Last Chies Over-the-Counter (Costinued from Page 6) an exhibition match, but I think sians were in a class by them-MONTREAL — The Soviet all-stars are returning for another hockey tour of North America. If it's pretty significant to the Cana-dian way of hockey and Canadian fans," said Edmooton Coach playing as a team because you have set units — lines, penalty killing, power-play units, defensive pairings," said Sittler. "It's as good Russians. Everybody will give it everything they have. It means a recent history is an indicator they will insult their hosts in their own Glenn Sather.
"There's a lot of pressure on a way to play as any. us," said Tardif, who played with the losing 1974 World Hockey League all-star team against the Soviet Union in 1974, "Nobody arenas and go home victorious.

The Russians will take on six Marian Stastny, a Czechoslova-kia native who plays with Quebec, "When you get into an international series such as the Canada Cup or the Challenge Cup, you have the best players in the league playing, but you don't have the National Hockey League teams over a period of 10 days from the is also eager to play.
"I have not forgotten the many times that I have faced the Soviet wants to get beat at home by a team from another country."

Although the Soviet team, which, is preparing for the world championships, will have a number of new faces in its lineup for the second country. opener Tuesday in Edmontoo against the Oilers to the finale Jan. 6 in Philadelphia against the Flytime you need to prepare. You need that cohesion when you play them because they have so much The Soviet team also will play the Quebec Nordiques Dec. 30, the ton with Quebec in the NHL last Nanne also rejected employing the all-star system against the Soviet Union at midseason. "There's not enough time to prepare," he said. "If NHL teams are going to play against the Russians, this is a better format." ries, several veterans, including goaltender Vladislav Tretiak, will Montreal Canadiens Dec. 31, the Calgary Flames Jan. 2 and the Minnesota North Stars Jan. 4. Schedule Bothers Coach to Offer Filton and in the second sec be making a return to North Although the six games are billed as a friendly series, the NHL teams slated to face the Russians figure America. Also included on the team, which just won its fourth straight Izvestia tournament, are defense-men Viacheslav Fetisov, Sergei Ba-binov and Vladimir Zubkov and to be anything but hospitable. Philadelphia goaltender Pelle Lindbergh, who has played for Sweden against the Soviet Union, is not overly concerned about the schedule that was "not conven-ient" for his team. The Associated Press reported from Moscow. Wayne Gretzky, the Edmooton center who was a member of Team forwards Vladimir Krutov, Mi-Canada that lost to the Soviet Un-After almost every match, he khail Vasilyev, Sergei Shepelev, Sergei Kapustin and Alexander ion, 8-1. in the final of the 1981 Canada Cup, said: "Losing to the Soviets in the Canada Cup was a bitter disappointment that I'll never forget. Our game against the Soviets won't be just another exhibition same." format - he just wants another crack at the Soviet team. "When I played with the Swedish oational team, we used to get beat real bad, usually by more than five goals," Lindbergh recalled, "Io a tournament, we'd work on beating the Czech team or the Finnish team because the Rus-Despite the Soviet success against NHL teams — the Russians have a 20-13-4 record — the "It will be a serious psychologimajority of NHL players and man-agers favors the club format over tico game." "It's oot going to be a light workout, for sure," added veteran Marc Tardif of Quebec. "The Rusthat of forming a group of NHL all-stars to face a Soviet team. sians never send a team to Canada to lose. Although they claim to be an all-star team, they've been prac-Chaminade Shocks Virginia, 77-72 ticing maybe for the last three months." selor, signaled for a freeze; instead lege in 1955, shares its campus Dunham, a 6-foot-2 guard, shook with the bigger St. Louis High off the signal and made a 22-foot School. Since beginning intercolle-But according to center Darry By Michael Wilbon Washington Post Service

HONOLULU — Chaminade
University of Honolulu has pulled
off one of the biggest upsets in college basketball history, defeating
No. 1-ranked Virginia, 77-72.

The victory was accomplished
by a coeducational school with an
empliment of about \$50. a part. Sittler of the Flyers, the NHL players also will be prepared. "When the time comes, the adrenalin will really start to flow," said Virginia tied the game once Sittler, who scored the winning goal in Canada's 1976 Canada choice of practice time at campus more, at 68, but Chaminade re-gained the lead for good with with 1:37 left when guard Mark Wells CONOMIC Growing and the state of the state o Colls Cotton & series Calls Pots Chicago Exchange Options gym — they practice from 6 to 8 p.m., after the high-school team. Cup victory over Czechoslovakia.

"I have a great amount of respect for the Soviets. Their players made a lay-up.

Chaminade (10-2) recently defeated another Division I oppoenrollment of about 850, a partare great athletes. It will be a good time coach, and a No. 4 ranking among the smaller schools that make up the National Association way to measure our own strength." Colls oents, the University of Hawaii, but also lost to Wayland Baptist.
"We were still thinking about
the Hawaii game and had started Minnesota General Manager Lou Nanne, a major contributor to of Intercollegiate Athletics.
Virginia did not play that poorly, but made just 29 of 74 shots.
"We had good effort," Cavalier Team USA to the past, is quick to agree. "I'm really looking forward thinking about U.Va, so we kind of overlooked them," said 6-foot-7 "I'd say Randolph was the key." to seeing them against our team," Sampsoo said. said Nanne. "You'll see a lot of action....The accent is on the Coach Terry Holland said after his team's defeat Thursday, its first lost to nine games this season. "We center Tony Randolph, who regu-larly played against Virginia's all-star center, 7-foot-4 Ralph Samp-Why wasn't Randolph totimispeed and the passing game, although the Russians have become Asked if this was the biggest up-set in college basketball history, Holland nodded affirmatively. just missed a lot of open shots," more physical in recent years." Io contrast, Chaminade, shooting mainly medium to long-range jump shots, made 28 of 57. Typical Ever since the dramatic series between Team Canada and the Sowas Tim Dunham's basket that Ever viet Unioo io 1972, contests "It has to rank right up there."
Said Lopes, whose team's 29-4
record last season included a 75-59 broke a 62-62 tie with five and a against the Soviet Union have takgave me confidence." half minutes to play. Coach Merv Lopes, a junior-high school counen on a special significance. Many As Virginia started the 14-hour see it as more than a game. "It is loss here against Virginia: "Chaminade did an amazing thing. Man can do amazing things. They go to the moon and they can do any-thing, and that's how I feel about ## 45 College Basketball Scores The game was scheduled mainly to justify the Cavaliers' stopover in SAST Boston U. 20, St. Francis IN,Y.; 44 Besten U. 86, St. Francis (N.Y.): 44
John Jury VI, Yeshiva 47
Marylyand 28, UCLA 79 (2 OT)
Rubers 78, Stanford 53
Stoten Island 82, Gueers Col.75
SOUTH
Memphis St. 81, S. Mississippl 40
MIDWEST
Defroit 65, Cleveland St. 63
E. Alichigan 45, Akron 59
Ill-Chicago 76, Jockson St. 54
Woyne 95, Dyke 51 Hawaii on their way home from Japan, where they played Houston and Utah. It would showcase Sampson, the premier player in college basketball. After all, Virginia had defeated Houston without Sampson and earlier had won over Georgetown, thus beating two of last season's NCAA semifinal-SOUTHWEST Oktoborno 181, Hilnois 74 Instead, it showcased Randolph, who grew up in Washington and Artzono St. 62. Nurthridge 51. 53
Chemidole 77, Virginia 72
Freeno St. 56, Kent 51. 35
Futlerten St. 52, Idobo St. 45
Montana 64. Pocific 45
New Mexico 78, New Mexico St. 74, 2 OT
Peoperatine 79, Texas Tech 85
San Jose St. 64. Son Diego 61
Uhah St. 67. Uhah 64
Wyoming 68, Midwestern 51, 42
Wyoming 68, Midwestern 51, 42 15-16 はなったいとはなっちゃくはなっちゃっと ed high-school ball at Robert For Assert Constitution of the Constitution of RCATATE REPORT AND THE PROPERTY OF THE PROPERT E. Lee of Staunton, Virginia, the arch-rival of Sampson's school, Harrisonburg High. And the game made Chaminade a nationally recognized basketball name. 2h 174 - 2 544 - 7 544 The university itself, founded as a Marianist-order liberal arts colnent Slows in NBA Standings 12.5 EASTERN CONFERENCE 1-16 44 1-16 44 70 1 1-16 47 1 1-16 200 .778 .750 .667 .584 .429 .148 - Z. rision
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Saturday's Results

Portiand 95, Sectite 60 (Passon 23, Cooper 17; Sikma 21, Brown 17).

New Jersey 112, New York 110 IB_WINtams 30, Axina 17; B. Kina 22, Cartwright 161, Attanta 97, Weshinston 91 (Rounditeta, E.Johnson 27, Glenni 18; Ballard 37, Ruland 181. 131/2 51/2 51/2 3 Total Valume: 183,098 Open Interest: 5,862,088 New York forward Marvin Webster (40) outreached New **More Sports** guard Darwin Cook for an early-going rebound at Madison Square Garden Christmas night, but the Nets went on to a 112-110 National Basketball Association victory in double overtime. **American Exchange Options** Caffs Put On Page 11 Puts • 🕹 24 5 34 134 P For the Week Ending Dec. 23, 1982 **ESCORTS & GUIDES ESCORTS & GUIDES CLASSIFIED ADVERTISEMENTS AMSTERDAM** INTERNATIONAL " HONESTY * ESCORT SERVICE (0) 20-260773 OR 233143 (Continued From Back Page) **ESCORT SERVICE** 13-44 TAN 13-44 Hoodquarters N.Y.C. **ESCORTS & GUIDES ESCORTS & GUIDES** ESCORTS & GUIDES 一日本の 一丁一日の一日 一日 一日 一日 Zurich - Geneva 212-765-7896 JENNIFER'S ESCORT SERVICE

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Union in world championship and tournament play," said Stastoy, who joined brothers Peter and An-

The coach of the Soviet squad Coach Viktor Tikhonov also said his team was looking forward to the series, but he complained that NHL officials had made up a

said, the Russians will have to move to another place, covering large distances and crossing sever-

cal stress for the sportsmen. This is why 27 hockey players were in-cluded in the team," Tass quoted

giate athletics seven years ago. Chaminade has not even had first

Sampson scored 12 points and had 17 rebounds and played the whole game. Randolph had 19 potots and five rebounds to 27 minutes, his playing time short-ened by 11 minutes by foul trou-

dated by Sampson, a two-time consensus player of the year? "Through high school I grew up with him," Randolph said, "We were friends. We played street ball, I played with him and against him, knew what he was going to do. It

trip home on Friday, guard Rick Carlisle said: "We have to learn something from this, I just don't know what it is."

rukee 10%, Atlanta 70 (Montriet 3%, John Roundfield 22, Motthews 12).

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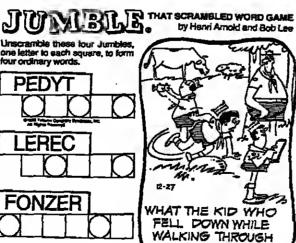
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DEATH OF AN ENGLISHMAN

By Magdalen Nabb. 172 pp. \$10.95. Charles Scribner's, 597 Fifth Ave., New York, 10017.

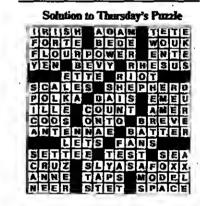
Reviewed by Anatole Broyard

MICHAEL INNES is one of those almost relentlessly literary mystery writers who are "thick on the ground," as he would say, only in England. In "Sheiks and Adders," his England. In "Sheiks and Adders," his usual hero, Sir John Appleby, the retired head of the London police, is given to what might be called arch ratiocination. He goes to a local fete at Drool Court, for example, merely out of a curiosity to know why Cherry Chitfield's father "was being so intransigent over the detail of a particular piece of miming or charade." He is drawn to the fête "by a sense of a small mystery," which is surely the idlest speculation ever indulged in even by a retired English policeman. Sir John is witty. He notices that when people dress up at a fancy dress ball, they do it literally, in the sense of upward mobility, choosing costumes

upward mobility, choosing costumes of rather exalted rank. Mark Chitfield is an exception. He comes in rags as one of the Seven Deadly Sins, in order to "afford a juster representation of the human condition." For reasons buried in the plot of "Sheiks and Add-ers," one of the guests is a real sheikh pretending to be a real sheikh.

Mark is described by one of his peers as having "succumbed a little too much to education." A party of Druids perform what is called "a perlustration of the house." A threat-ened Arab emir refuses all sorts of security measures designed to protect him because they violate his sense of panache. There is a professor of advanced herpetology whose live specimens play an important part in the action, and a balloonist who also has

Though there is a murder in "Sheiks and Adders," most of the shooting is at language, and this raises questions about the role of wit in mystery novels. Is wit an escape, or just another reminder that we must grin and bear the world? Will the punch line replace the punch in the jaw? Is wit fun to curl up with? Is it suspense-



One of the functions of the mystery novel is to let the reader regress in peace, and wit often interferes with that. It keeps teasing us to take on again the burden of our sophistication. Also, in witty mysteries, the joke begins to extend to the plot, which the reader ceases to take seriously, so that the whole enterprise is likely to collapse into parody. Certainly the most popular mystery writers — such as Helen MacInnes and John Creasy —

are deadly serious.

Magdalen Nabb. "Death of an Englishman," is English, too. She has leavened her first mystery novel, not with wit, but humor of a more homely sort. Here again, the effeet is a relaxing of tension, a shift of interest away from the crime and toward the human comedy. Only iro-ny, like the bitter ironies of "Cocky Park" or the Jamesian ones of John Le Carre, seems cruel enough to embellish or enhance a crime.

Nabb, who lives in Florence and has set her mystery there, comes very highly recommended. On the dast jacket, Georges Simenon calls her book "a coup de mattre." But when he goes on to say that "It is one of the tastiest books I have read in years," he does seem to be suggesting that this novel is something of a confec-

in the book, is disarming, and this may not be to everyone's taste. Some of us old-fashioned readers want our of us old-fashoned readers want our policemen to be armed rather than disarmed. Nobody, in fact, not even the villain, is tense with any particular feeling or design in "Death of an Englishman." Rather, it's the city of Florence that does most of the work of carrying the story. Every civilized of the city of the carrying the story. person is interested in Florence, and Nabb treats us to an operatic traffic jam, a wry disquisition on several cu-riosities of Florentine law, and the spectacle of Christmas shoppers from all over the continent througing the rain-drenched streets. Rain, obvious-ly, is a touch Nabb has borrowed

There's an eccentric old Englishwoman in running shoes who main-tains a shrine to the poet Walter Sav-age Landor, who once lived in Florence. There is even the requisite English vicar and his wife, imported to Florence, it may well he, only because W.H. Ander said that he preferred mysteries that had a vicarage in them.

It's all very civilized, the atmosphere in these two books, and while some cultivated readers will be

charmed, others may ask where are the incivilities, the furious crimes of yesteryear? Anatole Broyard is on the staff of The

BRIDGE

By Alan Truscott

GOSH, DON'T

THOSE PEOPLE

ENEN LET UP

POR CHRISTIMAS

NORTH-South earned a top score on the diagramed deal by good judgment in the bidding and accurate

After three passes South had an op-portunity to add a fourth pass and end the proceedings. This would have been a reasonable action at rubber bridge, but would have been overly timid in a duplicate contest. South knew that his partner held moderate values, and had good reason to hope that he could make a part-score. If his singleton had been in the spade suit he would have passed, fearing that the opponents would outbid him in that

North's double of the one-diamond overcall was negative, in a situation in which expert interpretations vary. Some experts use it to deny substantial values, some to show both majors and some to show at least one major. North-South were using a style in which one spade would have promised a five-card suit, so the double was mandatory.

East completed to three diamonds.

which was an accurate judgment. That contract would have failed by one trick because of the heart ruff available to the defenders.

South refused to be shut out and bid three hearts, nervously aware that his partner might place him with more strength. He was happy to pass when North corrected to four clubs, which proved a delicate contract.

Most lines of play would fail, but South navigated a path through the

shoals. He won the opening diamond lead in dummy and ruffed a diamond Postponing trump leads, he played a spade. West won with the king and persevered with that suit. East continned this process, and South ruffed the fourth round. As West was now marked with five diamonds and two spades, and probably had another high card somewhere in his hand, South played him for the club queen and ruffed with the king.

The next move was to finesse the club nine successfully and ruff the last diamond with the club jack. Another club finesse permitted South to draw the last trump and claim his contract.

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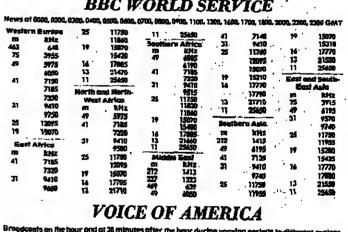
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North Pass 30 Pass 10 Pass West led the diamond king.

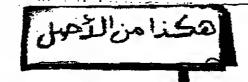
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Chris O'Connor (left) barely tipped away this first-half Aloha Bowl pass intended for Maryland's Mike Lewis. Washington won, 21-20, on a touchdown that came with six seconds left in the game.

North Carolina Upsets Texas; Washington Wins

Compiled by Our Staff From Dispatches EL PASO, Texas — Backup tail-back Ethan Hotton ran for 119 yards and one touchdown Saturday to lead North Carolina to a 26-10 upset of Texas in the 49th annual Sun Bowl.

In Honolulu, meanwhile, Washington needed an 11-yard touchdown pass from Tim Cowan to Anthony Allen with six seconds left 10 defeat Maryland, 21-20, in

the inaugural Aloha Bowl.

Horton, whose first carry did not come until midway through the third quarter, was named the most valuable player of the Sim Bowl. He carried the ball 27 carries replacing tailback Kelvin Bryant, who sprained an ankle early in the second half.

Horton, a 220-pound sopho-more, shared MVP honors with Bryant in last year's Gator Bowl victory over Arkansas by rushing for 144 yards. Bryant was burt af-ter rushing for 45 yards and didn't return to action. "Ethan Horton was obviously our most valuable," said Dick

Crum, North Carolina's coach. "Kelvin got hurt and Tyrone An-thony was also hurt. We had only one tailback left, and he had to do The Tar Heels struggled through an error-prone, wind-blown first

balf before empting for three field goals and two touchdowns in the final period. Both coaches credited a goal-

line stand early in the third period with turning the course of the game. Texas was leading, 10-3, and threatening to pull away with the ball at the Carolina 1-yard line.

Ervin Davis, a 225-pound full-back, barreled toward the goal line twice, and twice he came up short, running into cornerback Greg Poole on fourth down as Texas came away empty.
"That was the key to the game,"

Crum said. The Longhorns' Fred Akers agreed: "They stopped us." Said Davis: 'It was my fault. I thought I saw a sliver of light outside, and when I went for the opening the cornerback came up. I was put in to score and I didn't get

it done. I did not do my job."

Rob Rogers, North Carolina's long-distance kicker whose 53-yard field goal in the first half had equaled a school record, started the fourth quarter with a 47-yard field goal. He then recovered his own on-side kick, setting up the drive that ended in a 23-yard field goal by Brooks Barwick, the team's

The Tar Heels took a 12-10 lead midway through the fourth quarter vhen Barwick kicked a 42-yard field goal, his 15th consecutive suc-cessful kick this season. Horton upped the lead to 19-10 on a 1yard run with less than three min-

utes to play.
Linebacker Mike Wilcher completed the scoring by recovered a fumble by Longhorn quarterback Todd Dodge in the end zone with 1:35 left in the game. Dodge, who completed only six of 22 passes for 50 yards, was replacing regular starter Robert Brewer who broke his thumb in practice Monday.

"Of course, it's an advantage when you can kick with the wind behind you," said Crum, whose team held on to the ball for more

what they had to do in the second half. I really felt we should have had two more touchdowns, and if we had, I think we would have won. On a day like this, the kick-ing game and the passing game are

The Tar Heel defense, ranked second in the country, did not permit the powerful Texas offense to score a touchdown and beld its leading rusher. Darryl Clark, to 56

yards on 14 carries.

Texas scored its points when Ronnie Mullins blocked David Lowe's punt and fell on the ball in the end zone for a 7-0 lead with 3:43 left in the first quarter. With 2:18 remaining in the first half, Raul Allegre kicked a 24-yard field goal to give Texas a 10-3 lead.

North Carolina finished the sea-

son at 8-4, while Texas was 9-3. In Honolulu, Washington, trailing 20-14, took over the ball with 3:49 left in game and marched 80 yards for the winning touchdown. Quarterback Cowan completed eight passes for 65 yards during the 17-play drive.

Chuck Nelson kicked the win-

ning point after the touchdown reception by Allen, who caught the ball in the left corner of the end zone, barely staying in bounds "I stuck it where I thought I could get it inbounds," said Cowan of his game-winning pass. Added Allen: "Tim didn't give me much room, but he didn't have

much room either. On Maryland's previous series

than two-thirds of the second half.
"All our field goals today were kicked with the wind."

Akers said North Carolina "did field goal. Maryland had taken D'Addio. But Atkinson, who had a string of 39 consecutive conver-sions, missed the extra point after reach, but missed on a 32-yard field goal. Maryland had taken over at the Washington 18 with 5:51 left after the Huskies failed to sions, missed the extra point after a bad snap. Maryland ended the season at 8-

make a first down on a fake punt.

"The missed field goal gave us a chance," said Washington Coach Don James, whose team finished the season at 10-2. "If he'd made

it, it would have been the ball

len teamed up on another pair of

aerial scores, the first going 27

Cowan, voted the game's most valuable player, completed 33 of 53 passes for 350 yards. His play offset an outstanding performance by Maryland's Boomer Esiason, who his on 10 of 32 passes for 251

who hit on 19 of 32 passes for 251 yards and two touchdowns.

Down, 14-6, at halftime, Esiason marched Maryland to 14 points to

put the Terps ahead for the first time, 20-14 early in the fourth peri-

od. Esiason hit John Tice from 36

yards for a third quarter score and

John Nash ran over from 2 yards ont on the first play of the fourth

Maryland's first score came in the second quarter after one of four Washington fumbles, with

Esiason passing six yards to Dave

yards and the second 71.

In the first half, Cowan and Al-

South Wins Blue-Gray Game

Johnny Hector caught a 26-yard touchdown pass from Texas A&M teammate Gary Kubiak and scored on a 1-yard run to spark the South to a 20-10 victory in the 45th annual Blue-Gray game in Montgomery, Alabama, on Satur-

day.
The victory was the Gray's first since 1978 and gave the South a 23-20 edge in the all-star series that

began in 1938. The Blue's only touchdown came on a broken play. Quarter-back Steve Clarkson of San Jose fumbled and running back Ken Lacy of Tulsa scooped it up, ran left and threw a 32-yard TD pass to Tim Stracka out a 37-yard Feld Blue team also got a 37-yard field goal by Northern Iowa's Steve Schonert.

The Gray's other touchdown came on a 8-yard pass from Southern Mississippi's Reggie Collier to Stanley Washington of Texas Christian in the fourth quarter. Texas A&M's David Hardy missed the extra point.



North Carolina back Kelvin Bryant, on the move against Texas.

NCAA Puts High Price on Sports: A Student's Education. college athletics and professional sports." connected to education, but the logical connection excesses this

By Timothy S. Healy, S.J. New York Times Service

NEW YORK — At its annual meeting in San Diego next month, the National Conceans
Association, under pressure from Association, the College Football Association, the College Football Association the College Pootpan Colleges are left

Colleges can stay in if they give Colleges can stay in it are garage as large number of athletic scholar-ships, draw an average of 3,500 spectators to their basketball home spectators to their basketball home. sgames, and fund eight other men's

What is surprising about the proposed change is not that the
NCAA is wrong in its reading of
what is good for higher education
in the Umted States, but that it is so wrong - indeed, wrong-headed - about what is good for the NCAA itself.

This modest proposal, even if it were expanded to oust all colleges signs in that, the paragraph goes

that do not play football, still would not be enough to hold the CFA powerhouses within the NCAA. And it certainly would not make Division I any more logical than it is now, or any more supportive of the real values of higher ed-

Much hand wringing goes on about the 16-percent increase in the number of schools in Division I, and a great deal of pious prose comes as wrapping for the proposed changes.

Eight years ago there were 237 colleges in Division I; this year there are 277. Growth thins ont

championship revenues.

As the NCAA points out, "The Division I men's basketball championship provides more than 60 percent of the total NCAA revenue budget and, obviously, enables the association to maintain numerous essential services for all its

on to say that Division I colleges "have created 'the golden goose' and it would be unfortunate if a minority in Division I - a minori-

ty in numbers, in quality of teams, and spectator acceptance - were to be successful in damaging the mechanism that generates substan-tial benefits for the entire member-

The football colleges win 86 per-cent of revenue-producing championships. The battle is thus about the remaining 14 percent. The big schools are saying to the little ones, "My 86 percent is mine, and your 14 percent is negotiable." The proposal's weakness in the

larger world of higher education is immediately obvious. "A basic purpose of this association" say the NCAA bylaws, "is to maintain intercollegiate athletics as an integral part of the educational program, and the athlete as an integral part of the student body and, by so doing, retain a Lest anyone misread the dollar

But an examination of the proposed changes reveals major contradictions with the three stated purposes of the NCAA.

The first purpose of the NCAA is to "maintain intercollegiate athletics as an integral part of the ed-ucational program." It is fascinat-ing to watch the NCAA, through these new rules, turn itself into one of the lesser and more intrusive accrediting agencies that infest universities.

The association makes a great deal of the connection between academics and athletics, but sets out only three requirements. A university or college must sponsor a "broad-based program," conduct all or nearly all of its sports on a "legitimate" Division I level, and make annual scholarship commitments of somewhere between

The NCAA may feel that this will make certain that athletics are

logical connection escapes this

The new rules thus cast the NCAA as an accrediting agency nosing around the internal busi-ness of the university and focusing squarely on process and not on

The association wants to guarantee a "broad-based program" and make it "legitimate," but the way it proposes to verify both is to count the spectators the program draws and the amount of money the school spends on athletics, and to oversee the distribution of the school's budget among athletics and other student activities.

In other words, the professional athletic directors who make no most of the voting body of the NCAA will return to their campuses and inform university presidents and boards of trustees that "thus ye shall do" or face exclu-sion. If that becomes standard NCAA practice, the College Football Association probably will find every serious college and university working with it to dismantle the NCAA

For the second purpose — the integration of athletes with the rest of the student body — the propos-als are even more shocking.

For the 1981 athletic year, statistics compiled by The Sporting News in a survey of the major athletie conferences reveal the graduation rates (within four years) of basketball players. They run from 100 percent in the Ivy League to 16.7 percent in the Southwest Conference; the average for the 20 major conferences stands at 45 per-

Four conferences graduate 60 percent or more of their seniors: the Ivy, the Big East, the Atlantic Ten, the Southern. Four more con-ferences equal or top the national average. All the rest fall below this average, with figures such as 36.8 percent for the Atlantic Coast Conference, and 30.4 percent for

If this is to "maintain. . . the athlete as an integral part of the stu-dent body," we are all talking

The final purpose the NCAA puts forward to an admiring world is to "retain a clear line of demarcation between college athletics and professional sports." To add up budget totals and count spectators is not only to employ a profes-sional canon, but also to rely on professional suppositions, a whole

set of them. The thrust of the current proposal is to blur even further the line between professional and amateur, to apply to intercollegiate athletics the canons and norms of professional sports, and thus sub-scribe to the delusion that bigger is always better.

Whether the college presidents will be able to end this itch for grandiosity on the part of their athletic associations and the NCAA remains an open question. The American Council on Education has set up a committee of presidents that is addressing the problems of athletics. The presidents are looking at ac-

ademic performance, the limita-tion of eligibility, the just disposi-tion of scholarship money, and the length of athletic seasons; all things that the NCAA wishes to reserve to its own self-serving judg-ments. If the presidents are suffiiently exercised, the NCAA may be forced to put its norms for Division I in academic and not in sports-professional terms.

This would force a few colleges

and universities out of the singularly inappropriate trade of using students. It might also make it harder for the CFA to desert the NCAA fold after all.

No matter what the athletic director wants, the president and the board of trustees will take a dim view of hranding their institution publicly as one that does not know the difference between pro and amateur or, rather more painfully. between its own young as students and as tools of institutional fund

It may be that some of the schools slated for exclusion under these new rules have something to teach the CFA powers that might change the odds for the next group of athletes who after four years will not graduate.

These colleges include Fairfield, Drexel, George Washington, Santa Barbara, Hofstra, Manhattan, the University of Vermont, St. Peter's, and Wagner College. None of these are football powers, and none is likely to be, but all take basketball seriously. And, much to the point, all of hem care for their students and fight to help them graduate.

Timothy S. Healy, S.J., is president of Georgetown University.

Dickey, Packers Bury Falcons, 38-7

Compiled by One Staff From Disputches

The Packers made it 28-7 when yard-plus rushing game of his caATLANTA — Quarterback Lofton beat Johnson again for a reer and the second this season. Lynn Dickey teamed with James
Lofton on tonchdown passes of 80
and 53 yards and Eddie Lee Ivery
ran for two more scores, sparking

Total Johnson again for a

57-yard TD catch in the third peridown on a 9-yard run by rookie
Del Rodgers on the first play of Green Bay to a 38-7 shellacking of the Atlanta Falcons here Sunday and gaining the Packers a spot in the National Football League

playoffs. Green Bay, 5-2-1, shut down the NFC's leading ground attack and snapped a three-game Falcon winning streak. Atlanta got its only touchdown on a 3-yard pass from Steve Barkowski to William Andrews in the second quarter, cutting the Packer lead to 14-7.

But the Dickey-to-Lofton TD bombs, coming with 1:47 left in the second quarter and 8:12 left in the third, turned the game into a rout. It was Atlanta's worst defeat since a 37-6 loss to New Orleans in 1979. Dickey completed 10 of 17 passes for 248 yards in just over three quarters of action.

The Packers drove 80 yards for their first touchdown, the key play being a 43-yard pass-interference call on Atlanta's Bobby Butler that put the ball on the Falcon 25. Ivery scored on a 2-yard blast off left tackle with 1:31 left in the first

Dickey hit rookie Phil Epps with a 50-yard pass down the right side-line to the Atlanta 12 to set up the winners' second touchdown, which came on Ivery's 12-yard sweep around left end.

The Falcons then drove 79 yards to their only score when Bart-kowski, who hit on 24 of 35 passes for 267 yards, completed throws of 18 and 17 yards to Floyd Hodge and 20 yards to Andrews before hitting the latter from three yards out for the score. The Packers answered immedi-

The Packers answered immediately when Lofton got behind Kenny Johnson for his 80-yard score 1:47 before halftime. The TD pass was the longest of the year for Dickey and the longest scoring reception of Lofton's career.

> Transition EASEBALL

Notional Legum
CINCINNATI—Signed Tom Nume. pitcher, to
a four-veor, goardnised contract.
MONTREAL—Signed Woody Frymon, pitcher, to a one-year contract. FOOTBALL

POOTBALL

Notineer Footbell Leasue

HOUSTON—Assounced the resignation of Jim
Shother, othersive coordinator.

NEW ORLEANS—Activated Morvin Lewis,
running back, from the Injured reserve list.

N.Y. GLANTS—Activated Gary Jater, defensive eng; placed Jim Burt, detensive end, on the
lettered reserve list. injured reserve list.
ST. LOUIS—Armounced the retirement of Rog-er Wehrit, cornerback, effective of the end of the

ecson. United States Festionii League LOS ANGELES—Homed Steve Shafer on Destant coach. NEW JERSEY—Signed Terry Miller, running

COLLEGE
CENT, FLORIDA Named Lou Saban head notboll coech.
GRAND VALLEY STATE—Named Robert
issery need footboll coech.
KENTUCKY ST.—Named Larry Kirksey head potbal) coeth.
LOUISIANA TECH—Named A.L. Williams
seed isotball coeth.
AUSSISSIPPI—Named Billy Brawer bead

down on a 9-yard run by rookie and a 75-yarder to Stanley Morthe fourth period.

Green Bay's Jan Stenerud closed out the scoring with a 22-yard field goal with 11:22 left in the game. Steelers 37, Patriots 14

In Pittsburgh, Terry Bradshaw passed for 282 yards and two touchdowns to lead the Steelers to a 37-14 victory over New England.

NFL ROUNDUP Bradshaw completed 17 of 27 passes, including a 9-yarder for a touchdown to John Stallworth in the second quarter and a 46-yard TD bomb to Greg Hawthorne in

the final period. The victory by the 5-3 Steelers spoiled a fine performance backup Patriot quarterback Matt Cavanaugh, who came off the bench after Steve Grogan suffered a mild concussion and Tom Flick proved ineffective. Cavanaugh passed for 218 yards and two touchdowns in the game's final 20 minutes.

Rookie Gary Anderson kicked field goals of 21, 25 and 44 yards and four extra points for the winners. Frank Pollard scored the Steelers' first touchdown on a l-yard plunge and Walter Aber-crombie scored his first pro touchdown, also from the one, in the fourth quarter. Steeler Franco Harris rushed for 101 yards on 23 carries, giving him the 41st 100

NHL Standings

CAMPBELL CONFERENCE

Thursday's Results Thursday's Results

Botton 5, Horriford 1 (Pederson (22), O'Conneil
(4), Krusteiniyaki (12), Pork (4), Middleton (14);
Francis (14)).

Quebec 6, Montreol 3 (Yardif 112), Dupost (2),
Goulet (33), M.Stestiny (27), Cole (6), Palement
(10); Goiney (7), Roal (1), Laflept (18)),
Mitchiante 8, W.Y. (Villantes) (18), (18)

(271).
Detroil 4, Pitsburgh 4 (Lorson (7), Foster 18), Ridstell (11), Laoch (4), Oarodnick (19), Gore 110); Kehoe 2 1181, Melothan 11).
SL Louis 7, Toronto 3 (Turnbull (16), Federico 3 (16), Dunion (14), Choannon (6), Cartiol (4), Surier (23); Dopust 12), Valve 113), Prycer 1131). Edmonton 6, Los Andeles 2 (Linseman 18). Lumley (7), Anderson 2 (29), Gretzley (28), Hobscheld (2); Koroto (1), Nicholis 117)).
Coligory 6, Vancouver 3 (McClemaid (29), Bridsman 2 (14), Mollowat (5), Rainhart (6), Rissbrooth (13); Kultak (1), Mollin (10), Gredin 1121).

Friday, Salurday: no ecroes scheduled

Cavanaugh's touchdown passes were a 23-yarder to Lin Dawson

49ers 26, Chicfs 13

In Kansas City, Missouri, Dwight Clark atoned for a dropped pass by going 51 yards on a key third down play that set up up Jeff Moore's go-ahead touch-down, and Ray Wersching kicked four field goals to boost San Fran-cisco past the Chiefs, 26-13. The defeat consigned 2-6 Kansas City to an eleventh consecutive non-

playoff season. Late in the third period with Kansas City leading, 10-9, Clark dropped an easy pass from Joe Montana on second down from the San Francisco 28, but the pair came right back with the same play. This time, Clark caught the ball at the 43, dodged two tacklers and made it to the Chief 21. Moments later, Moore dived across from the 1-yard line to give the 49ers their first lead, 16-10,

with 13:21 to play.
Nick Lowery's 39-yard field goal brought Kansas City to within three points, but Wersching answered with a 34-yarder with 1:56. left, and Ronnie Lott tacked on a final 49er TD with an 83-yard interception return with 11 seconds

to play. Browns 20, Oilers 14

In Houston, safety Clinton Bur rell recovered two fumbles by Earl Campbell, the second setting up a one-yard game-winning touch-down run by Charles White with 5:40 to play, as Cleveland beat the Oilers 20-14. The Browns evened their record at 4-4 and remained in the American Football Conference playoff race while Houston lost its sixth straight and fell to 1-7. Houston had a 14-10 lead in the

fourth quarter, but after Cleveland closed to within on Matt Bahr's 24-yard field with 8:03 to play, the Browns got the ball back when Campbell fumbled and Burrell recovered at the Oiler one, White scored on a dive on the first play.

Buccaneers 23, Lions 21

In Tampa, Florida, Bill Capece kicked three field goals, including a 27-yarder with 25 seconds left, to rally the Buccaneers to a 23-21 vic-tory over Detroit. The winning kick was set up when Lion corner-back Bobby Wadkins was called for pass interference against Kevin House at the Detroit 13. Capece, who suffered a dislocated shoulder last week against Buffalo, had hit on kicks of 34 and 29 yards in the second period.

Tampa Bay quarterback Doug Williams ran three yards for a third-period touchdown and then James Owens for the final TO in the fourth period. The Lions had taken a lead on two TD passes by Gary Danielson and a 3-yard scoring run by Billy Sims.

> More Sports On Page 9

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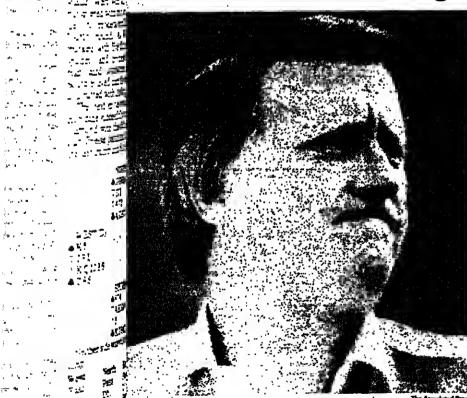
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. . But the Owner-Agent Price Is Oh, So Right



Yankee Owner George Steinbrenner After a disastrous go-go experiment, \$11 million for free agents.

By Shirley Povich Washington Post Service

going in 1975 with Catfish Hunter.

Ale put his services on the open market and WASHINGTON - It all got predictably, by George Steinbronner. The New York Yankee offer that Hunter leaped at, in an era when the \$100,000 pitcher was a varity, was for \$2.85 million for · live seasons' work.

The Catfish Hunter windfall sent pleasant shock waves out to the whole player community. It left them atingle at the prospects of the riches in store. They were not disappointed.

But seven years later, Hunter would learn that he had sold him-self cheaply for a \$750,000 a year pittance, compared to these times Recently, a pitcher who never

had a winning season got a five-year, \$4.5 million deal. That was Floyd Bannister, with a career record of 51-68, a one-season high of 12 victories in dull contrast to the four consecutive 20-victory seasons Hunter could show the Yankees in 1975, including his last one, a 25-12 performance for Oak-

Oh, to be a baseball free agent in these times and be in demand by by pennant-hungry, egocentric club owners, mostly newcomers to baseball, who somehow are bereft of their sense of the business sense that enabled them to gain the son.

wealth to buy a team in the first Last week, free agent Steve Garvey, whose credentials as a first aseman-hitter fall far shy of Hunter's as a pitcher, signed a basic \$6.6 million contract with San Diego for five years, or a guaran-teed \$1,320,000 a year. With incen-tive bonnses it could add up to a \$9 million security blanket for

Today's agents know where the big money is. They are cunning artful and business-wise. And aware of which club owners obsessions to play on, how to set one club owner against another, how to pump up their clients' importance to a team and get more money for him, and not incidentally, for

Dick Moss, a respected attorney-agent, was the one who negotiated Steve Kemp into his \$5.5-million, five-year deal with the Yankees who, according to sources, weren't even in the hunt for Kemp

until late in the game. There was the strong suggestion that Baltimore and Milwaukee were hot on the trail of the former Chicago White Sox ontifielder including radio interviews that had Kemp saying he'd just love to play with the Orioles. Steinbrenner re-

Ha, thought Steinbrenner: Those are the two teams the Yankees will have to lick next sea-

The Yankees must sign Kemp. Price no object, at least not

clear line of-demarcation between

much of one. So Moss got his man that good deal, from circumstances calculated to scare the hell out of Steinbr-

cnncr. According to sources, Milwaukee wasn't much interested in Kemp and the Orioles were in no hurry to negotiate with him. The closest the Orioles got to a discussion about Kemp was to schedale a meeting with him or his agent a week after the Honolulu baseball

Meantime, Steinbrenner got into the act. Just as, no doubt, Moss

had hoped.
Agent Jerry Kapstein's ability to get Don Baylor a reported \$3.675million, four-year package from

the Yankees was even more of a Baylor, at 33, is strictly a designated hitter, lacking the speed that once permitted him to play the outfield for Baltimore and the California Angels, his only contribu-tion could be with the bat as a DH on a Yankee team that already carried five designated hitters. And Baylor's .263 average with the An-

gels last season wasn't all that But Kanstein knew which of his customers had the deepest pockets. Steinbrenner, of course. He knew Steinbrenner to be an addicted hero worshipper who had seen power-hitter Baylor drive in those 10 big runs in the 1982 playoffs against Milwaukee, and was im-

pressed with how fierce he looked up there at the plate.

He also knew that Steinhrenner had abandoned his experiment of last year + changing the image of the Yankees to a go-go team, built for speed (a disastrous experiment that saw them steal fewer bases than the previous year). So Kap-stein sold em Baylor.

To underscore the progress of free-agent society, consider Bay-lor's history. Six years ago, in his first venture as a free agent when he was a mere 27 and still useful as an outfielder, be signed with California for less than half as much as he gained

from the Yankees at 33. The agents know whose is the livest checkbook. With the addition of pitcher Bob Shirley, who got a three-year, \$1.5-million guar-anteed deal, Steinbrenner in one period this month committed the Yankees to more than \$11 million worth of free agents.

No other owner has been as reckless as Steinbrenner, who is undannted despite having more than his share of free-agent flops and bust-outs. Eddie Einhorn, president of the White Sox, threw light on Steinbr-

"George can operate like no

enner's methods:

The Orioles or Brewers must not other club owner. He has that \$100 million committed from future cable TV revenues, for the next 10 years. That lets him go to the bank and finance anything be likes. "No other team has a stake like

that."
How do teams pay the kind of salaries allotted to high-priced free

Often there are deferral payments, sometimes called "discount dollars." But ultimately there must be a day of reckoning. There is a limit to what any club can generate at the gate, and all teams confess they are anxiously exploring cable

There is always curiosity as to exactly how some of the free-agent hotshots are paid on their multimillion-dollar contracts. It may be illustrated by one reported break-down of Steve Kemp's contract,

A \$500,000 bonus for signing.
\$650,000 in each of first two \$950,000 in third year.
\$1 million in the fourth year.

• \$1.1 million in the fifth year. \$600,000 in each of first two years after contract ends. A little perspective may be in order. Take the salary figures of the Washington Senators of 1902.



Steve Kemp A fat five years.

LANGUAGE

Time and the Analog

By William Safire WASHINGTON — What time

Quarter past 10," say I, consulting the trusty old timepiece on my wrist, where the long hand is on the mark near the stemwinder, about a quarter of the way around from the top, and the short hand is on a marking just two short of the top, which I know from years of watch-looking represents a 10.

"Ten-fourteen." says my daughter, reading from a machine on her wrist that measures her pulse, counts her joggings, swallows space invaders and otherwise does more than Milton can to justify God's ways to man.

The language is adapting to changes in the instruments of measurement. Half-past is passing and quarter-to is approaching what nu-clear scientists call "two minutes to midnight"; they are being re-placed by numerals, with the hour

The reason for the switch is that we are going digital. My old pie-faced watch, with 12 slices repre-senting the hours and 60 fork marks along the edge of the crust for the minutes, is an idea whose time has come and gone; some moving finger has written that we are now in the Digital Age.
"In the Mr. Coffee ad on televi-

In the Mr. Coffee ad on television," writes Elizabeth Keenan of Knoxville, Tennessee, "Joe Di-Maggio demonstrates a digital-clock coffee maker, and a voice says: 'Also available in analog-clock models,' as the screen shows a clock-clock coffee maker. In its a clock-clock coffee maker. Is it possible that I have been telling time all these years by an analog clock? Analogous to what? I feel like Le bourgeois gentilhomme when he found he had been speak-

ing prose."

You have indeed been analogging it up. An analog (without the
British ue ending) is a representation; a watch with hands, like a sundial, represents the hours of the day with the segments of a circle. The position of the hands on the clock is analogous to the position of the sun in the sky.

The phrase is a retronym the term Frank Mankiewicz has coined to describe names of familiar objects or events that need a modifier to catch up to more modern objects: Day baseball and natural our are in the same category as analog watch. Clockmakers occasionally would have used analog

alog computers were coming into vogue, and the old clocks, like those electrical computers, were able to represent a continuously variable quantity (the hands never stopped on the watch, the flow of information was not reported in fi-nite numerals by the computer).

However, when digital watches came into being, the old watch became an analog watch, the way that a guitar was forced by the new electric guitar to identify itself as an *acoustic guitar*.

Digital comes from digit, or finger, which is what most people learn to count with; digital is the adjective for that which enumerates, or counts. "An analog watch has hands which point, and a digital watch has numbers or digits which appear as a readout," says Robert Stevens, a spokesman for the Seiko Time Corp. At first, the numbers were mechanically flopped over, like old calendars, but that couldn't last, soon the technicians were able to get the L.E.D. readout.

Stevens adds an explanation of that unifloppable display: "There are two kinds of digital displays. One is the *L.E.D.*, or *light-emitting diode*, the red or hlue readout, which consumes a lot of electricity and has a battery life of about three months." That was O.K. for plug-in clocks and the like, but it was a heavy drag for battery-oper-ated devices. The other is the L.C.D., or liquid crystal display, the continuous black on gray readout, with a battery life of three to five

As a result of the wane of the analog watch, we are now living by the numbers, calling out our mea-surements of time in tiny, finite slices rather than representing time in a continuous flow. Because we "see" time in numbers, we hear it in numerals: It's 10-whatever, because it is now the "readout" on our wrist that is being imprinted in our mind's eye.

A word remains, however, to remind us of the heyday of watch-making in the last century: Stemwinder. The device was invented to replace the need for a key, and it was the latest thing in watches until World War I brought along the wristwatch. A stemwinder was remembered as "the latest thing," and then merged into spellbinder to mean "a rousing political speech." That's what happens to the language in

New York Times Service

The Child Poet

The 'Cutting and Drying'

Of Hilda Conkling

By Nancy Shulins The Associated Press

ASTHAMPTON, Massachu-L setts — When she speaks of her poetry, Hilda Conkling doesn't use the word "gift." In-

stead she calls it a handicap. She is 72 now, and the three volumes she wrote as a child are long out of print: "Poems by a Little Girl," which appeared when she was 10; "Shoes of the Wind," published when she was 12, and "Silverborn," a collection of the two earlier works.

"I was 4 when it started, when I began 'talking' poetry,' she said. "At 4, you are not yet influenced by adults. You go your own self-centered way, a clean slate, a blackboard on which nobody has written."
Sadly, she shakes her head.
That this head could say those

The hills are going somewhere. They have been on the way a long

things and it can barely write a

They are like carnels in a line Sometimes at sunset they carry

Heavy rocks, heavy trees, gold

On heavy branches till they are marching They have not gone far In the time I've watched

She remembers little of those early years, but her mother. Grace Hazard Conkling, a divorcee and an English professor at Smith College in Northampton, told her that most of the poems came at night, when she was being put to bed.

didn't realize mother was writing down what I said. She wrote poems, too, and always had a pad in her hands, so it didn't seem unusual, me babbling, her scribhling.

"But later, she'd read them back to me, and I always knew if she'd taken a word down wrong. I could always correct her."

As the pad filled, the poems started appearing in such maga-

zines as Poetry, Good House-keeping and The Nation. Frederick A. Stokes, a publish-er, approached her mother about a book. She remembers being called in from play, handed a pen and told to sign her name in the first 500 copies. She also remembers pleasur-

able visits from her "colleagues." Robert Frost came to visit, as did Vachel Lindsay, Walter de la Mare and Amy Lowell, who wrote the introduction to her first book and did much to dispel speculation that Hilda Conkling was a fraud.

"I think too highly of these po-ems to speak of the volume as though it were the linished achievement of a grown-up per-son," Amy Lowell wrote. "The child who writes them frequently transcends herself, but her thoughts for the most part are those proper to every imaginative

What this book chiefly shows is high promise; but it also has its pages of real achievement, and that of so high an order it may well set us pondering."

Time is a harp That plays to you till you fall You are always spending

On a trail of wind. The mountains were asleep Long ago!

Listen . . . the changing . . . You will sleep too Before long . . .

Despite her photographic memory and high IQ, Hilda had trouble with school work. She spent much of her time following strict routine set by her mother. "I had to be on time for meals, even when I was husy with a poem, and I was expected to curt-sy until I was 18," she says.

"Mother was very dominating, and she was often high-handed and adamant in her decisions. It was always: Do this, that, and the other thing. To be fair, she was just as hard on herself as she was on my sister and me. But she was difficult to get along with."



Hilda Conkling with picture of herself and her mother.

Amy Lowell once told her mother that if Hilda survived "the cutting and drying process that goes by the name of educa-tion," she would become a poet. tion," she would become a poet.
But the cutting and drying took its toll. Somewhere in her early teens, Hilds stopped writing poetry. "Mother had down-played the poetry, fearing I would become too self-centered.

As a result, perhaps she leaned too far the other way. I was never aware that I'd said or done anything remarkable."

The royalties, a few thousand dollars in all, helped pay for Hilda's education, which included a

school for girls in Northampton, one in Versailles and a nursery training school in Boston. She held various jobs, working

with underprivileged girls in Bos-ton, gifted children in Virginia, and for the Bureau of Standards in Washington. At 40, she became manager of

a bookstore in Boston, where she stayed 20 years. Then she came home to Northampton, moved in with her mother, and worked at a local bookstore. "In her last few years, mother

became more and more depend ent on me. But I was starting to understand her better, and if she'd lived five more years, we might have become hetter friends." Grace Conkling died of a stroke in 1958.

In the years since, Hilda Conkling has fought cancer and won. She also has moved herself and her four cats to a drafty but spacious apartment in Easthampton, where rents are cheaper,

She has published no more books. But some days, at bedtime, a thought or a mood will spark a new poem. She has. enough now to publish another volume, but has not yet organized the many scraps of paper and sent them off to a publisher.

She dreams of writing her an tohiography, and she reads through the old books by lamplight, piecing together a child-hood from the yellowed poems. Her mother's diaries, which she

keeps, might hold answers, But having been trained never to look through her mother's things, she cannot bring herself to read

KUNMING POSTCARD

To the Stone Forest

By Barbara Isenberg

Los Angeles Times Service KUNMING, China — The weather in this southern China provincial capital is so tem-perate that the Chinese call Kunming "the city of eternal spring." Even the concrete strip separating bicycle traffic from cabs and buses on the main thoroughfare is filled with flowers.

Few "foreign guests" have had the chance to see this city since the 1940s, when Westerners left. Near the borders of Burma and Vietnam, Kumming was opened for tourism in June 1978, and it has rarely been included in tourist itin-

All that may be changing a reflection of the growing importance placed on tourism and the tourist dollar by the Chinese. As a sign, they've paved the road to the spec-tacular Stone Forest 126 kilometers (90 miles) from Kunming, and renovated the old hotel among the huge boulders there.

Colorfully dressed women from the area's many minorities set up their embroidery and other wares on sidewalks near the Stone Forest Hotel minutes after tour huses arrive, and they've even learned to

bargain in English.

A local guide said the women have been selling their embroidery for only a year, but they are surely an indication of the area's future. Kunning has had only 60,000 tourists, but direct charter flights began several months ago from Hong Kong. Lindblad Travel is

ng a small guesthouse - with swimming pool — in Kun-ming, and a China International Travel Service spokesman said the city's hotel beds increased this year from 800 to 1,300.

Probably it is only a matter of

time until all those hotel beds are full. China travel is anything but luxurious, and the newly built Kunming Hotel (just behind the old Kunming Hotel) is the most comfortable stop many tourists en-counter in China. The hotel is still being finished — room numbers were scribhled on paper and taped to each door during a recent visit
but already it has not just a
Western-style shower hut Westernstyle water pressure.

Time hasn't worn down the carpets yet and the curtains are thick enough to shut out the early-morning sun. The hotel food is among the best in China, and even the ists were able to get seconds. A crushing grain,

probably accommodate a basketball game but its vast expanse is filled only with a long row of red chairs for the customary welcome hriefing, with tea, given to "foreign

Kunming marked the Chinese end of the Burma Road — the overland supply line to the Chinese fighting the Japanese during World War II — and the old Jeeps rumbling down the city's streets may bring back memories to military personnel who served here. Yet as a guide explained, nearly

everything dates to 1949 and the Chinese Revolution. Yunnan Province, of which Kumming is the capital, was "back-ward" compared to other Chinese provinces, he said, and nearly maccessible except by plane and by narrow-gauge railroads traveling short distances.

Today, in contrast, life is easier for the city's tourists and its nearly two million people, who appear to be more prosperous than in other Chinese cities. For tourists, the main square is within walking dis-tance of the Kunming hotels (old and new) and so are what can only be called "shopping opportuni-ties." These include the Friendship Store, with merchandise similar to thet found throughout China; here it is a small room in a large depart-

Kunming also has many scenic treasures although few compare with the huge Stone Forest several hours by bus out of Kumming Said to be 270 million years old.

the Stone Forest comprises boulders along paths that curve past reflecting pools that seem bottom-

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The unusual geological formations, some as tall as California redwoods, long ago were below water. A Chinese travel brochure explains: "Its many rock pillars were formed by rainwater running through joints in very thick lime-stone, dissolving, percolating and splitting it."

It is a long drive out to the forest, but the trip is nearly as interesting as the forest. Time doesn't exist as the air-conditioned tour hus glides past horse-drawn carts and water buffaloes pulling plows

through rice paddies.

Within walking distance of the Stone Forest Hotel is the Five Trees Village where sows sleep in the sun and old women sit in dark tour guide was amazed when tour-, mud houses husking corn and

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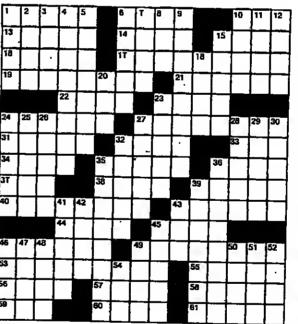
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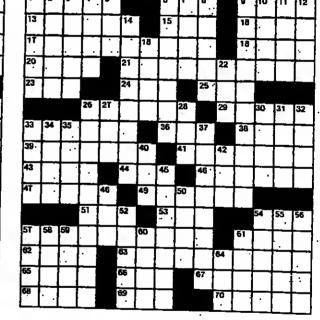
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